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British Claim a Falklands Bridgehead

U.K. Sets Cease-Fire Condition

UNITED NATIONS, N.Y. — The British ambassador to the United Nations, Sir Anthony Parsons, said on Friday that his government would accept a cease-fire only if Argentine troops remained on the Falkland Islands.

Sir Anthony said that such proposals would be unacceptable to Britain because they would enable Argentina to consolidate what it had acquired by force and "leave us with our hands tied." He spoke after entering urgent consultations at the UN Security Council, called after the failure of UN peacekeeping efforts and the announcement that Britain had begun military operations to retake its colony.

Sir Anthony summed up that "this last round of negotiations is certainly dead in the water."

UN Secretary-General Javier Pérez de Cuellar warned an emergency session of the Security Council Friday that peace efforts must continue on the prospect of "destruction and the loss of many, many lives."

The secretary-general told a tense and crowded chamber he still believes the United Nations "could restore peace in the South Atlantic and open the way for an enduring solution of the long-standing dispute."

Later he said, "I think we will keep trying, perhaps in a different way." Perhaps others can take action — the Security Council — perhaps another country or a group of countries, Mr. Pérez de Cuellar said Thursday after announcing "my efforts have now ended."

The council decided at a 90-minute, closed-door Friday morning session to convene a public session over American objections. Ambassador Carlos Ozaeta of Panama, a member of the council, told a reporter that the U.S. ambassador to the United Nations, Jeane Kirkpatrick, opposed a public meeting because it would aggravate the situation.

After more than an hour of private consultations with all 15 members present, the council opened a public meeting at the request of Argentina, Panama and Ireland.

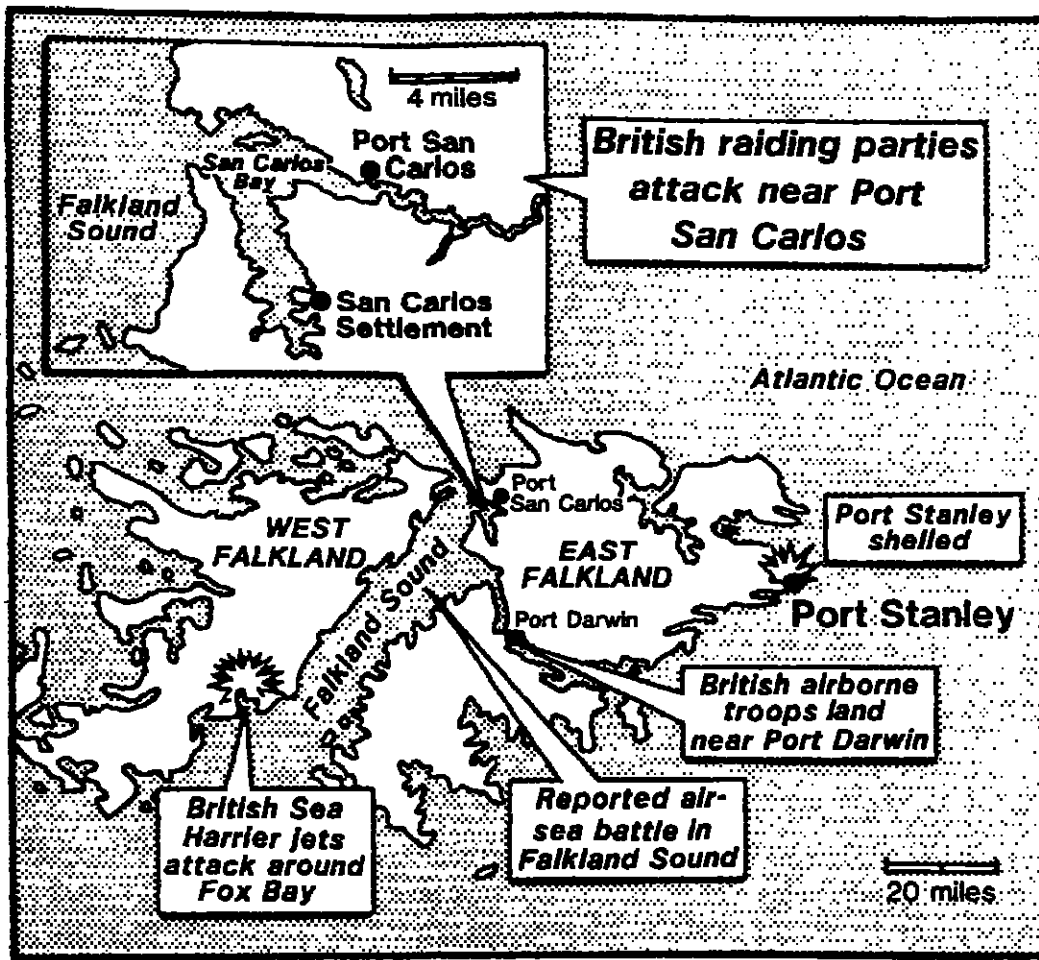
The Argentine representative at the United Nations, Eduardo Reca, said that the nation's foreign minister, Nicoré Costa Méndez, would be flying to New York overnight. He said the only thing that Argentina had pressed for was a formal, public meeting of the Security Council.

Diplomatic sources said that any condemnation of British military raids on the Falklands was certain to be vetoed by Britain and maybe the United States and France. A similar censure of Argentina would be vetoed by the Soviet Union.

U.S. Commitments

The council has not met formally on the Falklands since the session on April 3 adopted, by a 10-1 vote with four abstentions, a British-sponsored resolution calling for a cease-fire, the withdrawal of Argentine troops and a negotiated settlement. That session took place one day after the Argentine invasion.

A White House spokesman said that President Reagan would meet commitments to provide aid to



British forces in the South Atlantic, but was pledged not to involve any U.S. military personnel. Deputy Press Secretary Larry Speakes said that the administration was "in contact with those at the United Nations and elsewhere who also are striving for a peaceful solution." Any request by the British for aid, he said, "will be carefully evaluated on a case-by-case basis."

The British ambassador to Washington, Sir Nicholas Henderson, met with Secretary of State Alexander M. Haig Jr. to discuss the escalation of the fighting and said afterward that Mr. Haig was aware of Britain's desire for a negotiated settlement, as well as of its determination to secure the withdrawal of Argentine forces. Argentine Ambassador Esteban Talca also paid a visit to the State Department, but would not disclose its purpose.

The State Department denied reports that there were plans for Mr. Haig to resume personal mediation efforts. The New York Times on Friday had said that Mr. Haig was ready to make another diplomatic effort if Argentina and Britain asked him to do so.

Privately, U.S. officials said that they were not surprised by the failure of the UN effort, which followed by nearly three weeks the collapse of Mr. Haig's own diplomatic shuttle between Buenos Aires, London and Washington.

The officials said that the problem remained the same: the refusal of the Argentines to withdraw from the Falklands without being assured of sovereignty over the islands, either in writing or in fact, by being able to settle an unlimited number of Argentines there.

Mr. Haig, however, was said to remain convinced that the situation would have to be resolved by political means eventually, and that it was possible that, once the fighting intensified, the parties could seek a mediator.

Asked on an American television program what would happen if a cease-fire was called for, Sir Anthony said, "A call for a cease-fire unconditionally would leave Argentina, the aggressor, with the chance to consolidate its forces."



Argentine Foreign Minister Nicoré Costa Méndez went to meet President Leopoldo Galtieri Friday as the attacks began.

High Material Losses Inflicted by Argentine Airborne Resistance

LONDON — British troops stormed ashore at an undefended point on the Falkland Islands on Friday and secured a beachhead in the face of intense Argentine air attacks, Defense Secretary John Nott said.

"British forces have now established a firm beachhead on the Falkland Islands," Mr. Nott announced. "A secure land base is being consolidated."

Mr. Nott did not say precisely where the beachhead was established. But Argentina, which seized the Falklands on April 2, said British

ships were putting troops ashore at Port San Carlos, an inlet on the northwest corner of East Falkland. It lies about 50 miles (80 kilometers) across the island from the capital, Stanley.

"Argentine forces have suffered some casualties and some prisoners have been taken," Mr. Nott said. "There will have been British casualties, but we have no details as yet."

A television reporter with the British task force said in a telephone account of the British landings that the operation, "from the first man to the last man ashore, took just over four hours."

Independent Television News reporter Michael Nicholson said: "In less than 15 minutes they bombarded that position with over 60 shells. They've established their beachhead. We can see them quite clearly. One of them is only about a mile away around a cluster of houses. We can see the light tanks, we can see the Scorpions setting up their air defenses, we can see the helicopter pads, tanks — they're all established. Already we know they had unopposed landings in it all but one of them."

"We could hear some firefighting as we moved in our ships at the beginning of the Sound. One of the unopposed landings was near a small village — really just a cluster of white stone buildings. Troops found 31 falklanders in their own makeshift shelter, including 14 children there."

"They're all safe and they're all uninjured."

Material losses were high, Mr. Nott said. Five British ships were damaged and 14 Argentine planes shot down. "We have also lost two helicopters," he said.

British news reported that 21 men were killed in the accidental crash of a helicopter shortly before the heavy attack started at dawn.

In Buenos Aires, a military spokesman said the Argentine Air Force counterattacked the British fleet in two waves, leaving a frigate "sinking in flames" in the narrow channel between East and West Falkland.

The spokesman said four other frigates were badly damaged and two British Sea Harrier fighters and bombers shot down and a pilot captured.

A military spokesman said British forces had established a beachhead in the area of Port San Carlos in the northwestern sector of East Falkland island.

But he said Argentine troops were closing in on the area and that the beachhead "will be exterminated."

In London, Mr. Nott said the initial landings by Royal Marines and paratroopers were unopposed

and that "some of these forces have remained ashore." He left little doubt that the troops would remain to establish a foothold for the recapture of the islands seized by Argentina seven weeks ago.

"Argentine forces have suffered casualties and some prisoners have been taken," he said. "These operations continue."

"As we expected our ships have come under heavy air attack," Mr. Nott said. "Five have been damaged, two seriously. There will have been British casualties but we have no details."

The Argentines sunk a British destroyer several weeks ago, killing 20 British sailors. Earlier, Britain sank an Argentine cruiser, and about 300 Argentine sailors were lost.

Mr. Nott said Harrier jets and missiles destroyed 14 Argentine planes — "seven Mirage, five Skyhawks and two Tucans."

"Two Argentine helicopters, a Chinook and a Puma, have been destroyed on the ground," he said. "We have lost two of our small helicopters."

"Seven weeks after the Argentine aggression," he declared, "British forces are tonight firmly established back on the Falkland Islands."

Mr. Nott's announcement appeared to contradict earlier Defense Ministry communications that characterized the invasion forces only as "raiding parties," implying they did not intend to stay.

British reporters, briefed by defense officials shortly before the landings were formally announced, said more than 1,000 troops divided into six groups took part in the assault.

They included commandos from the Royal Marines and the Parachute Regiment, some of Britain's best, their fighting skills honed in Northern Ireland.

For the estimated 9,000 Argentine troops on the Falklands, many of them raw recruits, it was a first taste of battle.

Task force ships hammered Argentine military targets near the island capital of Stanley and other areas with rapid-fire 4.5-inch cannons. Harrier jump-jets struck Argentine positions around Fox Bay on Falkland Sound, the narrow channel dividing the two main Falkland islands, the Defense Ministry said.

Equipment Loaded

Mr. Nott said the main landing was accompanied by a number of smaller raids at other points and some of those troops remained ashore.

Mr. Nott said British paratroopers and marine commandos were ashore "in substantial numbers" with artillery, anti-aircraft weapons and other heavy equipment.

A series of communications from Buenos Aires said Argentine planes sent from mainland bases 450 miles from the islands were attacking three British warships in Falkland Sound and other ships outside the bay.

The landings came barely 12 hours after negotiations between Britain and Argentina collapsed with Prime Minister Margaret Thatcher accusing Argentina of "obduracy, intransigence and bad faith."

Michael Foot, the head of the opposition Labor Party, urged Mrs. Thatcher to keep open diplomatic channels because "no military settlement of the dispute can be effective or final."



Prime Minister Thatcher leaves No. 10 Downing Street after it was announced that raiding parties had landed in the Falklands.

11 Appointed by Chun For New Seoul Cabinet

By Allan Reditt
SEOUL — President Chun Doo Hwan replaced 11 Cabinet ministers following a loan scandal that has rocked South Korea's economy.

But the main opposition, the Democratic Korea Party, also demanded the resignation of Premier Yoo Chang Soon, Deputy Premier Kim Yoon Sung, who is the economic planning minister, and Rha Woong Bae, the finance minister.

Mr. Chun said that while he held those two ministers responsible for the loan scandal, he wanted them to stay in the government to straighten out the situation. There was no evidence that any ministers were connected with the scandal, but all agreed to accept moral responsibility and offer to resign.

The scandal, allegedly brought about by a distant relative of Mr. Chun, has led to the arrest of 19 persons, caused a collapse of South Korea's unofficial loan market and has brought several companies to bankruptcy.

In his new Cabinet, Mr. Chun included a woman for the first time, Kim Jung Lei, 54, who was a representative of the London-based human rights organization Amnesty International. She was given the health and welfare portfolio.

The prosecutor-general, Chung Chee Kun, who in 1976 prosecuted the leading Korean dissident, Kim Dae Jung, is the new justice minister.

The foreign minister, Lho Shi-nyong, was retained. The former martial law commander and army chief of staff, Lee Hui Song, was appointed transport minister. Gen. Yoon Sung Min, chairman of the

Joint Chiefs of Staff, was named defense minister.

The scandal broke two weeks ago with the arrest of a former national assemblyman, Lee Chul Hee, and his wife, Chang Yung Ja, who is related to Mr. Chun by marriage. Mr. Lee and his wife are charged with defrauding six Korean companies in which they allegedly received \$210 million in questionable loans and commercial paper transactions.

An uncle of Mr. Chun's wife, Lee Kyu Kwan, was charged Tuesday with accepting \$142,000 from Miss Chang to use his influence in arranging government approval for a banking venture being promoted by Miss Chang's husband.

The arrest of Lee Kyu Kwan led the president's father-in-law, Lee Kyu Dong, to quit as head of the Korean Senior Citizens Association because of the publicity.

The president's brother-in-law, Kim Sang Koo, deputy secretary-general of the Advisory Council on Peaceful Reunification, resigned Friday, government sources said.

Mr. Chun is expected to remove members of his family from sensitive positions, political analysts believe.

4 Christians Arrested

SEOUL (Reuters) — Four Christians, including a Presbyterian minister, were arrested Friday for leading an anti-government demonstration in the southern city of Kwangju on Tuesday.

Four hundred Christians were said to have taken part in the demonstration, which was broken up by riot police. The demonstrators were calling for the resignation of South Korea's president, Chun Doo Hwan.

Arms Protests Rise in E. Germany Church Helps Lead a Challenge Against Military Policy

By Bradley Graham
Washington Post Service
DRESDEN, East Germany — After glowing for months over the rise of moderate disarmament campaigns in the West, East Germany is now confronted with one of its own, representing the strongest grass-roots challenge to a Soviet-backed military policy anywhere in Eastern Europe.

At some personal risk, participants in the campaign are denouncing what they call the excessive militarization of life in East Germany and the one-sided slant of official propaganda that blames only the United States for the arms race.

Limited to small youth groups, Protestant churches and some intellectual circles, the protest drive here has only a fraction of the scope and force of Western peace movements. But its development inside the Soviet Union's most powerful military and economic ally was apparently viewed as dangerous enough this spring to warrant a stern police response.

Security officials, claiming that military service among East German youth was being undermined, stripped the protest's peace emblem — a felt patch with the biblical phrase "Swords into

Plowshares" — off the clothing of hundreds of youths who had joined the cause. For their involvement, some students are being threatened with expulsion from universities, and others have been questioned by police.

A new military service law decreeing that women can be drafted during an emergency was passed in March. In the meantime, Communist authorities have sought to co-opt the protest slogans and claim a sort of official monopoly on the peace issue.

For the East German Protestant Church, which had tried to channel concern about national military policies along less confrontational lines, the crackdown poses a moral and tactical dilemma.

A real blowup with the government would jeopardize the improvement in church-state ties that began four years ago.

But for the church to react passively would suggest a loss of conviction and risk a loss of credibility, particularly among the young people whom church officials are hoping to attract.

So far, the church — which represents about 8 million of the 17 million East Germans — appears intent on speaking up. But as one informed clergyman in East Berlin put it: "The church wants to speak

politically but doesn't want to make politics."

In the last two months, church leaders have issued sharp statements accusing state officials of confusing gestures for disarmament with actions against the state.

Last month, a letter signed by Bishop Werner Krusche of Magdeburg, the leader of the East German Protestant Church Conference, said: "We fear that the actions of the state bodies are leading to difficult problems in the relationship of basically well-intentioned youth to the state and for the inner peace of our society and the personal development of young people."

On the surface, there would seem to be parallels between the church's arbitrating efforts and the role played by the Roman Catholic Church in Poland. But a senior East German clergyman contended that the situations are not similar since the Roman Catholic Church has traditionally had a more dominant position in Polish history and society than has the Protestant Church in modern Germany.

The social forces at work are also different. East Germany's peace protest can hardly be termed a movement. It is more of a loose

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INSIDE

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TECHNOLOGY BLOCK — The U.S. Commerce Department is giving top priority to efforts to stem the flow of advanced, military-application hardware to Soviet-bloc nations. Page 3.

INDONESIA REBUKED — U.S. Secretary of State Alexander M. Haig Jr. has issued a rebuke to Indonesia for refusing to accept one of the Foreign Service's top Asian experts as ambassador. Page 3.

LITERARY LIFE — One of the best short-story writers in the English language today, Mavis Gallant reviews a new book about Paris intellectual life in the 1930s and 1940s and is herself the subject of an interview. Weekend, Page 5W.

OPEC HOLDS LINE — OPEC ministers meeting in Quito decided to retain their ceilings on oil production and the benchmark price of \$34 a barrel. A four-member committee will likely review the policy in July. Page 9.

Reagan Sets New Global Strategy Aide Says Plan Is Aimed at Diminishing Soviet Empire

WASHINGTON — President Reagan has approved a tough new global military, political and diplomatic strategy aimed at shrinking the Soviet empire and persuading the Kremlin to turn its attention to "bitter, not guns," his top security adviser said Friday.

William F. Clark, assistant for national security affairs, outlined the strategy in a major address at the Center for Strategic and International Studies at Georgetown University.

"It is our fondest hope that with an active yet prudent national security policy, we might one day convince the leadership of the Soviet Union to turn their attention inward, to seek the legitimacy that only comes from the consent of the governed, and thus to address the hopes and dreams of their own people," Mr. Clark said.

Shrinkage of Russia

A senior White House official said Mr. Reagan approved an eight-page national security document that "undertakes a campaign aimed at internal reform in the Soviet Union and shrinkage of the Soviet empire."

The official said Mr. Reagan believes the "response will result in fundamentally different East-West

relations by the end of this decade."

The goal, the official said, is to compel the Soviet Union to focus on "bitter, not guns" and to "not export terrorism around the world."

A directive implementing Mr. Reagan's decisions was sent to affected federal agencies on Friday, Mr. Clark said.

He said nuclear deterrence will be the foundation of military strategy and the "highest priority" will be accorded to "survivable communications systems."

MX Missile Deployment

Mr. Reagan decided Monday, Mr. Clark said, to go ahead and deploy the MX missile, possibly putting the initial missiles in existing Minuteman silos, and he has asked the Defense Department to recommend a survivable system by the end of the year.

A senior White House official confirmed reports earlier this week that the president is leaning toward underground, "dense pack" MX deployment. Under this "fratricide" concept, attacking warheads would destroy each other after the initial explosion.

"The MX program is too important to allow the risk of technical environmental or arms control

debates to delay the introduction of the missile into the force," Mr. Clark said.

"Our interests are global," he said, "and they conflict with those of the Soviet Union, a state which pursues worldwide policies inimical to our own."

Russia Seen as Threat

Mr. Clark said the strategy is aimed at preserving freedom and democracy, providing for U.S. security, closer linkage with allies, promotion of a well-functioning economic system and maintenance of a "strong, flexible, and responsive military."

"Although the most prominent threat to our vital interests worldwide is the Soviet Union," he said, "our interests can also be put in jeopardy by actions of other states and groups."

In contingencies not involving the Soviet Union, Mr. Clark said, "we hope to rely on friendly regional states to provide military forces." But he said, "we must be prepared ... to commit U.S. forces to assist our allies."

Mr. Clark said Mr. Reagan has decided to put new emphasis on foreign arms sales and other forms of military assistance to friends

Sirhan's Parole Canceled; His Threats Cited

From Agency Dispatches
SACRAMENTO, Calif. — California's parole board, citing threatening letters written from prison, Friday canceled the 1984 release from prison of Sirhan B. Sirhan, who assassinated Sen. Robert F. Kennedy in 1968.

Chairman Ray Brown said at a news conference that the decision in 1975 to give Sirhan a parole date was a mistake. Mr. Brown said parole officials would have acted otherwise had they known about the threatening letters.

"The prisoner has continued to verbalize threats," Mr. Brown said. "The panel finds that the continuing nature of the prisoner's threats and conduct has great significance. It is significant now and would have been to other panels had they had the information."

He referred to Sirhan's statement that he would turn the Arabs loose to get him out of prison dead or alive when told his parole was in jeopardy in January, and to comments in 1979 that he would seek an alliance with the Soviet Union.

Escalation of Struggle Proposed in an Article In Solidarity Journal

By Dan Fisher
Los Angeles Times Service

WARSAW — A leading architect of the Solidarity independent trade union movement now says that the union must prepare to use force against the authorities, according to an underground publication that has reached Western correspondents.

As a first step, Jacek Kuron on Thursday advised Solidarity leaders still at large to try to infiltrate the police and the army, the document says.

Western analysts who studied the document said they were not sure whether it was genuine. It follows and expands upon an earlier statement attributed to Mr. Kuron that was believed to have been smuggled out of the suburban Warsaw prison where the 48-year-old dissident has been interned with other union leaders and advisers.

Published by Solidarity

The new statement was published in Tygodnik Mazowiecki, the weekly underground publication of Solidarity's Warsaw region.

The remarks were cast as a reply to more moderate responses to martial law that have been suggested by Zbigniew Bujak, head of Solidarity's Warsaw region, and other union activists who have escaped arrest.

Mr. Kuron was the head of the Committee for Social Self-Defense — known as KOR, its Polish initials — and a leading adviser to Solidarity. His ideas for forcing reforms in Poland, essentially by organizing society independent of the government, were instrumental in shaping the union and its program.

While the possible impact of his reported turn to more radical approaches is uncertain, such a significant change in his stance would be noteworthy in itself, as is the fact that such views were published in a publication that has generally taken a nonviolent line.

Mr. Kuron himself argued as recently as last summer that Solidarity should avoid taking any action that might be perceived by the Soviet Union as a threat to its vital

military interests in Poland. Such action would invite intervention by Warsaw Pact forces and a national catastrophe, Mr. Kuron said then.

Mr. Kuron is now quoted as saying that Solidarity leaders should set a general time limit, such as "in the fall," by which time the union will take action if no progress has taken place.

The action may be an open-ended general strike, according to the document, although that strategy would allow the authorities to concentrate on chosen targets and take advantage of their "undisputed superiority of men and equipment."

Unless the Solidarity leaders can line up a "decisive majority of soldiers and policemen," Mr. Kuron is reported to advise, they should assault preselected "power and information centers," with the help of "that minority of army and police which decide to stand on our side."

"I am not trying to convince you to call an assault," Mr. Kuron is quoted as saying. "But I am strongly advising organizing a center of the movement and an efficient information network."

Dissenters Sentenced

WARSAW (Reuters) — The Polish authorities have imposed prison sentences of up to five years on dissidents in several cities for publishing and distributing Solidarity publications, the official press said Friday.

A Warsaw military court imprisoned a 30-year-old teacher for five years and a factory worker for three years for posting and distributing leaflets in the southern town of Kaniogda.

The leaflets, which have been circulating in most Polish cities since martial law was imposed in December, have been used recently to publish the time and places of strikes and demonstrations called by Solidarity.

The official press agency PAP reported that 164 people had been sentenced to more than three years in jail for assaults on riot police or soldiers.



The government made this official photograph of Argentine soldiers on duty in a street in Stanley available on Friday in Buenos Aires. However, it did not say when the photograph was taken.

Tiny French Isles Off Canada Stir Uneasy Analogies With Falklands

By Henry Giniger
New York Times Service

SAINT PIERRE, Saint Pierre and Miquelon — No Canadian invasion fleet has been sighted and one is not expected, but the 6,040 inhabitants of these little French-owned islands are at the center of a maritime dispute between France and Canada and are nervously making analogies with the Falklands.

On a clear day, which comes only once in a while in these fog-shrouded and stormy latitudes, one can see Newfoundland, 15 miles (24 kilometers) to the north. The islands, 93.4 square miles, are all that is left of a once-powerful French empire in North America and, perhaps better than anywhere else, the islanders know what it is like to man a tiny European outpost in the New World, thousands of miles from the mother country and to cling precariously to its way of life.

"I suppose the people of the Falklands want to remain English," said Joseph Lehen, the 72-year-old local historian and former mayor of Saint Pierre. "Well, the people of Saint Pierre want to stay French."

It has been that way for more than four centuries, ever since the French explorer Jacques Cartier claimed the islands for the French crown in 1536 and Bretons, Normans and Basques moved in to fish for cod and to provide a base for fleets from Europe.

Between 1690 and 1793 the islands were seized and pillaged nine times by the British. Not until 1815 by the treaties ending the Napoleonic Wars did Britain finally recognize France's sovereignty.

Now another kind of dispute has embroiled France with Canada, which since 1976 has proclaimed a zone of economic interest extending 200 miles off its shores. France in turn is claiming a 200-mile zone extending south of Saint Pierre and Miquelon and the talks thus far have produced no result. The possibility that the disputed waters might contain oil or gas has raised both the stakes and the tension.

Visit by Mauroy

In the middle and a bit distrustful of both powers are the islanders. Sen. Marc Plantegenest, one of two elected representatives to the French Parliament, said: "We are always afraid of deals made over our heads. They may be at our expense."

Recently, the senator created a stir by suggesting in the Paris daily Le Monde that the islands could become the Falklands of the north.

"I have never envisaged a Canadian occupation," Sen. Plantegenest told a visitor. "But Canada has the means to bring about an economic blockade. All our supplies come from or through Canada and our only way of leaving here is through Canada."

Pope, Prelates Discuss Falklands; Briton Sees U.K. Visit as Still On

From Agency Dispatches

VATICAN CITY — Pope John Paul II discussed the Falkland Islands crisis Friday with Argentine and British cardinals, and a British prelate who attended the meeting said afterward he was "reasonably optimistic" that the pope would go ahead with his planned trip to Britain next week.

Vatican officials said the cardinals made detailed reports on the attitudes of their respective governments, while the Vatican secretary of state, Cardinal Agostino Casaroli, discussed the latest Falklands developments in a conference call with Vatican envoys in Buenos Aires, London and the United Nations.

Trip Depends on Fighting

News of the latest British military action in the Falklands caused gloom when it reached the pope and his advisers during their meeting with the cardinals, Vatican sources said.

Nevertheless, after the meeting Cardinal Basil Hume of Britain said he was "reasonably optimistic" that the pope would travel to

Britain as planned. Cardinal Hume, archbishop of Westminster and primate of England and Wales, said the trip depends on the "extent and quality of the hostilities in the Falklands and whether there is an escalation of hostilities."

The Vatican sources said the pope and the cardinals were also joined by the influential president of the Latin American bishops' conference, Archbishop Alfonso López Trujillo of Colombia. British Archbishop Derek Worlock of Liverpool and Thomas Warming of Glasgow also were at the meeting.

The pope had summoned the Argentine and British prelates to Rome on Wednesday to pray with him for a peaceful solution to the two countries' conflict over the Falklands.

Peace Mass Postponed

The meeting came on the eve of a Mass dedicated to the search for peace in the South Atlantic. The British and Argentine church leaders are to join John Paul in celebrating the Mass, which was postponed from Friday because an air traffic controllers' strike in Italy delayed the arrival of the Argentine cardinals.

Representing Argentina at the Mass will be Cardinals Juan Carlos Aramburu of Buenos Aires and Raul Primatesta of Cordoba and Cardinal Eduardo Pironio of the Vatican. Curia Archbishop López Trujillo also will participate.

The British delegation will be led by Cardinal Hume and will include Cardinal Gordon Gray, primate of Scotland, and Archbishop Winning and Woodcock.

The pope's six-day visit to Britain is due to start Friday. Last Sunday, the pope said the trip was in doubt because of the escalating Falklands crisis. The Roman Catholic Church is supported by the state in Argentina, where 95 percent of the people are Catholics.

Prime Minister Margaret Thatcher of Britain said Thursday she would forgo a meeting with the pope in an effort to remove political overtones from the trip, which is intended in part to further a decade-long effort to unify the Anglican and Roman Catholic churches.

Egypt Won't Send Troops to Iraq But It Is Sending More Weapons

By David B. Ottaway
Washington Post Service

CAIRO — Egypt's military and political leaders have indicated a willingness to send more war materiel to help Iraq in its war with Iran, but officials have ruled out involvement of Egyptian combat troops.

With the Gulf states looking increasingly toward Egypt as a potential political and military counterweight to a victorious Iran, the Egyptian leadership recently issued a series of statements delineating how far it was prepared to go to help save President Saddam Hussein of Iraq from a humiliating defeat.

It has also sketched out a role for Egypt in the region that seemed to combine a desire to serve as protector of the vulnerable oil producers in the Gulf with an awareness of the political limitations it is operating under at home and abroad.

The semi-official daily Al-Ahram said Friday that Egypt has provided Iraq with arms from its strategic reserve. The Associated Press reported. A senior reporter, Ibrahim Nafah, said in his weekly column that the supplies included more than ammunition.

"They included kinds of weapons that are part of Egypt's strategic reserve," he said, adding that Egypt would have to buy replacements on the world arms market.

Although he did not specify what kind of weapons were involved, the implication was that they might have been fighters, tanks and missiles because Egypt produces its own small arms.

Apparently seeking to stop speculation of an imminent Egyptian commitment of military manpower to Iraq, Defense Minister Abdel Halim Abu Ghazala on Monday denied the presence of any troops outside the country apart from advisers serving in Sudan and Somalia.

Existence Threatened

In so speaking, he was evidently drawing a distinction between regular Egyptian Army units and military recruits from among Egyptians working in Iraq as well as individual volunteers going in relatively small numbers to sign up with the Iraqi armed forces.

At the same time, Mr. Abu Ghazala said Egypt was supplying Iraq with "all its military needs" that it could not get from other countries because it was an Arab country "whose very existence is now threatened."

A presidential foreign policy adviser, Osama Baz, has said that the extent of Egyptian assistance was "measured by developments and this is a matter that varies from week to week."

Arab diplomatic sources say Egypt signed an agreement in

March to sell Iraq \$1.5 billion in war materiel, about double the amount contracted for under the largest earlier deal signed a year ago. Equipment is being sent both by plane and ship.

Whatever the extent of Egyptian military aid, it is clear Egypt has a growing interest in the Gulf region and the Iranian-Iraqi war, partly because of its hopes of a reconciliation with the rest of the Arab world following the final Israeli withdrawal from the Sinai on April 25.

Mr. Baz said recently that the continuation of the war risked setting off a "chain reaction jeopardizing the security of the Gulf region and causing a great deal of insecurity and instability" in the other Gulf states.

Egypt's desire to play a more prominent role in helping defend the Gulf states is, in the view of Western analysts, still seriously hampered by the continuing aid and sense of diplomatic relations with it by all of them except Oman. Ties were severed in retaliation for Egypt's signing of a peace treaty with Israel in March, 1979.

While there are hopes on both sides for an improvement in relations, none of the Arab nations that cut ties then has yet restored them, nor has a formula or forum for such a resumption been found, according to Mr. Baz and other Egyptian diplomatic sources.

Some Recruits Are Unfit, Soviet General Reports

United Press International

MOSCOW — The Soviet armed forces are having trouble with recruits who are physically unfit, politically naive or even pacifists, an army general says.

According to a newspaper report, Gen. Alexei A. Yepishchev said Thursday this was especially important because "the anti-Communism, the anti-Sovietism of the belligerent forces of imperialism, first of all the U.S.A., and also its accomplices, make the threat of war a severe reality of our time."

Gen. Yepishchev, head of the army and navy political department, told a congress of the Communist youth organization Komsomol that most recruits were physically and mentally fit but that "some fell short." His comments were published in the military newspaper Red Star.

"One must say that among the generally healthy and strong young people who are called up, there are also youths whose muscles need additional training," he was quoted as saying.

"We find cases, even if they are isolated, when young people joining the army system show elements of political naiveté, pacifism, and carelessness in gauging the military threat on the part of our class enemies," he said.

E. German Protests Rise To Challenge Military Policy

(Continued from Page 1)

amalgam of groups and individuals, spurred by youthful fashion, religious principle and political opposition.

Western diplomats in Berlin said a Polish-style uprising would be unlikely in East Germany because its internal security system is too efficient and the Communist Party is too strong. Moreover, the East German protest is not fundamentally pro-Western or anti-Communist.

Causes of Concern

Two things cause concern for East German officials. First, even muted criticism of Soviet arms is apparently considered a dangerous chink in a Communist propaganda effort that wants the entire focus to be on NATO weapons. Second, and more directly threatening to East Germany's military effort, are church and youth demands that conscientious objectors be provided a civilian-service alternative to the draft.

But as East German leaders appear to understand, the issue is not just one of bearing weapons. The protest in East Germany, like the West German peace movement, contains an element of pan-German nationalism, which emerged in the so-called Berlin appeal issued in January.

The Berlin appeal, which reportedly bears 700 signatures, including those of church officials, calls

for the withdrawal of Soviet and American "occupation troops" from both Germany. It also calls for the signing of peace treaties to end World War II officially and guarantee "noninterference" in the affairs of the two German states.

The appeal echoed a letter sent to Soviet President Leonid I. Brezhnev in October by the East German Communist dissident Robert Havemann, whose death in April at the age of 72 left a gap near the radical edge of the East German protest.

The first signs of the protest surfaced last spring in Dresden, which has one of the highest concentrations of Protestants in East Germany and a harsh memory of World War II. An intense bombing raid by U.S. and British forces on Feb. 13, 1945, killed 35,000 people.

Peace Forum

Individuals and youth groups asked Dresden church officials for help in petitioning for a civilian substitute to the military draft, such as service in hospitals and old-age homes. And last August, the Dresden church suggested a 24-month "peace" service as an alternative to the required 18 months under arms.

On Feb. 13 a peace forum at the Church of the Cross in Dresden drew from 4,000 to 6,000 people. The police permitted the event to go on, but a crackdown came later.

WORLD BRIEFS

Romania Cabinet Shakeup Approved

BUCHAREST — The Romanian parliament appointed a new premier Friday and approved a major reshuffle of the country's 55-member Cabinet.

Sources attending the parliamentary session said delegates named Constantin Dascalescu as premier, replacing Ilie Verdet, who had held the job since 1978. No reason was given for the change.

Mr. Dascalescu, one of President Nicolae Ceausescu's closest aides, was a member of the political executive committee, the top ruling body of the Communist Party. Observers here said that the reshuffle, which was the biggest government shakeup in years, was prompted by Romania's economic troubles. Other changes included the dropping of all seven deputy premiers. They were replaced by four new officials.

11 Killed in West Beirut Bombings

BEIRUT — Two bombs exploded within an hour Friday in Moslem west Beirut, killing at least 11 persons and wounding 17, police sources said. The Organization for the Liberation of Lebanon from Foreigners claimed responsibility for the blasts and pledged to continue the attacks until all foreigners left Lebanon.

Police said a man was killed when the first bomb exploded near the Beirut seaport, 100 yards from the U.S. Embassy, an hour after a U.S. deputy assistant secretary of state, Morris Draper, ended a round of talks in Beirut and flew to Damascus.

About an hour later, a second, more powerful bomb destroyed wrecked the side of a building housing a Nasserite magazine. Al Morabit. Police sources said at least 10 people died and 15 were wounded.

Peking Says Moscow Is Expansionist

PEKING — China Friday denounced the Soviet Union as the biggest expansionist nation of the modern age. The attack was made barely 24 hours after a renewed offer from Moscow to Peking to improve relations.

A commentary in the Communist Party newspaper, People's Daily, accused the Kremlin of trying to cause trouble between China and India. Those two nations have just concluded talks in New Delhi on improving their relations. The paper added, "In its quest for world hegemony, the Soviet Union is in the habit of sowing discord and creating divisions and contradictions between some countries so that it can fish in troubled waters."

The commentary was published as the annual visit to China by a senior Soviet official, Mikhail S. Kapitsa, drew to a close. Mr. Kapitsa, head of the Soviet Foreign Ministry's Asia department, conferred twice with Deputy Foreign Minister Qian Qichen, a privilege that Soviet sources said indicated some progress.

U.S. Changes Attitude Over ID Cards

LOS ANGELES — Attorney General William French Smith says the Reagan administration is "open to the alternative" of a national identity card, but adds that it wants to try existing identification systems first.

It was the first time the Reagan administration has indicated it was not opposed to plans for creating a nationwide identity card to deal with illegal immigration. Mr. Smith revealed the change of policy by deleting a sentence from a speech he delivered on immigration policy to the California Chamber of Commerce on Thursday. It said: "The administration is opposed to the creation of a national identity card."

Asked afterward about the change, Mr. Smith downplayed its importance. "All we're saying is that we are open to all alternatives," he said. "But we want first to try existing identification systems, such as Social Security cards and drivers' licenses."

Salvadoran Relief Worker Abducted

SAN SALVADOR — The director of the Green Cross relief agency in El Salvador was kidnapped by six gunmen who raided his house at midnight on Thursday, the agency and family members said on Friday.

Juan Francisco Zamora, 27, and a relative were abducted by the gunmen, who took an unknown amount of money and numerous business papers from the family residence near the U.S. Embassy.

No motive was known for the abduction, which was the second attack on a Green Cross official in seven weeks. A Green Cross paramedic was killed April 2 by unidentified gunmen. The Green Cross is a private, nonsectarian relief agency founded in France during World War II and established in El Salvador during the 1970s.

Mitterrand Bars Africa Intervention

NIAMEY, Niger — French President François Mitterrand said Friday that France has no intention of intervening in either the civil war in Chad or the long conflict in the Western Sahara.

"France is not Africa's policeman," Mr. Mitterrand declared during a press conference on the third day of a five-day tour through former French colonies in West and North Africa. On Saturday, he will visit the Ivory Coast.

Mr. Mitterrand stressed that France was on good terms with both Algeria and Morocco and was not about to intervene in the war in the Western Sahara. "If we are asked for our advice, we will give it," he said. "A referendum would be the best method" for resolving the crisis. "It is first of all for the Saharans to determine their fate." He added that Chad must also determine its future within the context of the Organization of African Unity.

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Singapore Undertakes Confucianism Revival

By Colin Campbell
New York Times Service

SINGAPORE — The government of Prime Minister Lee Kuan Yew, disturbed by what it sees as a falling away from certain ancient moral values that are thought to be capable of protecting this modern city-state, has decided to revive the study of Confucianism.

Mr. Lee is believed to have inspired the plan. Once started in the schools, about two years from now, it would reassert values of filial piety, scholarly discipline, fraternity, decorum, integrity, a proper sense of shame and, perhaps, a moral obligation to enter government service so long as Confucianism prevailed in the state.

Confucianism was the official and mostly very conservative state philosophy of China for nearly 2,000 years. Its influence on ethics and social behavior has survived to the present in some sectors of ethnic Chinese society, and some scholars believe that even in China the reaction over the last few years against the Cultural Revolution

may be viewed as a reassertion of Confucian values.

The Singapore government's sudden announcement, however, that a new Confucian curriculum would be devised has puzzled many people in this technologically advanced and officially democratic country.

Confucius is believed to have died in 479 B.C. The philosophy later, elaborated in his name is widely assumed to have collapsed from its associated injustices and irrelevance around the time the last emperor of China was deposed in 1912.

Intellectuals Have Doubts

The study of Confucius still enthralls scholars and individual seekers, but even Singapore's newspapers, normally deferential to Mr. Lee, his government and his People's Action Party, have been wondering in print just what an official Confucian revival will look like.

A Singaporean intellectual said last week that the plan was "a lot of nonsense." But like some others interviewed in recent days, he asked that his bemusement remain anonymous.

In a series of speeches, Mr. Lee has explained what he sees as the practical and moral pertinence of Confucian ideas. Dr. Tay Eng Soon, Singapore's minister of state for education, said in an interview

that "from the kind of feedback we've been getting, people like the idea."

Nothing resembling a Confucian textbook for school use has been written in many years, said Dr. Tay, and the Confucian corpus would have to be simplified and modernized. What might a high school student do, he asked, when presented with such ancient Confucian exemplars as that of the child who sits beside his mother when she is being bitten by mosquitoes, so that the mosquitoes will bite him?

"They would laugh," he answered. He said they would probably also wonder why the mother did not spray herself with insect repellent, and the gift of filial sacrifice would be lost.

American Contributions

At least four American professors have responded to the government's queries on how to teach Confucian ethics. They are Yu Ying-shi, professor of history at Yale; Tong Tse-kong, chairman of the Asian studies department at City College in New York; Francis L.K. Hsu, director of the Center for Cultural Studies in Education at the University of San Francisco; and James Hsiung Chieh, professor of politics at New York University.

Some of the professors' reactions to the plan have been made public by the government. A common theme is that certain Confucian ethical principles are probably eternally valid and may be especially pertinent in a society whose traditional values are being eroded but not replaced by a hedonistic or at least selfish modernity.

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U.S. Moves to Check Exports of Technology To East-Bloc Nations

By Paul Richter
Los Angeles Times Service

LOS ANGELES — Secretary of Commerce Malcolm Baldrige has said here that he has created a new enforcement arm within the department to act as a "top priority" effort to stem the increasing flow of advanced, military-application hardware to Soviet-bloc nations.

The department has added enforcement agents, opened a West Coast export-control office and increased scrutiny of export applications, Mr. Baldrige said Thursday.

Assistant U.S. Attorney Theodore Wu, an illegal export expert with the Department of Justice, Los Angeles office, was named this month to head the unit in the newly created position of deputy assistant secretary for export enforcement.

"We have the systems to prevent the transfer of high technology products," Mr. Baldrige said in remarks to the Foreign Trade Association of Southern California, meeting here. "But the systems are out of date, and the problem keeps getting more serious."

Division Criticized
Mr. Baldrige's comments came two weeks after a Senate subcommittee released a report condemning the department's compliance division as poorly equipped and run by investigators who in some instances are "untrained and unqualified."

Mr. Baldrige acknowledged that the agency's efforts have not been adequate during his tenure but tried to shift most blame from the Reagan administration.

"Most of the examples [of export-control violations] in that subcommittee report came during the previous administration," he said in an interview after his speech.

Mr. Baldrige's tough position on the export of sensitive high-technology goods seemed to stem from the stance of previous secretaries of commerce, who have often acted as free-trade advocates in intra-governmental debates on trade policy.

In his remarks to the trade group, he said, "some people whose interests are primarily commercial don't always appreciate the longer-term consequences of the export of critical technologies to our national security."

Mr. Baldrige declined to provide details of how many agents and how much additional money will be needed to control the problem.

The congressional report, issued by the permanent investigations subcommittee of the Senate Governmental Affairs Committee, said the department has six export-control inspectors. They include five at John F. Kennedy International Airport in New York and a sixth in Washington.

The subcommittee report recommended that the export-control functions be taken from Commerce's Office of Export Administration and be consolidated with the enforcement of other export laws within the Customs Service.

Mr. Baldrige said much of the enforcement burden must be carried by U.S. businessmen who handle the U.S.-made computers, lasers and electronic components that can be put to military uses.

He said businessmen should be sensitive to potential violations of export-control laws as they are to violations of antitrust or foreign corrupt-practices laws.

However, he stopped short of calling for a stiffening of the fines or jail terms for businessmen who violate the laws.

"The problem has just increased in the fairly recent past," he said. "We don't have enough experience to know whether the penalties are adequate."

In a separate development, the undersecretary of commerce for international trade said the department has no present plans to bring suit against Japanese electronics manufacturers on grounds of dumping components in the United States.

Brezhnev Death Rumors Highlight Information Vacuum

By Dusko Doder
Washington Post Service

MOSCOW — With his recent appearances and statements on nuclear arms limitation, Soviet President Leonid Brezhnev has returned to the public scene after his recent illness. But for the Soviet public, which gets its news almost exclusively from the Soviet media, Mr. Brezhnev never left.

The 75-year-old Soviet leader's four-week public disappearance was a major international news story, but the Soviet media have not said one word about it, nor has there been any official explanation.

Given Moscow's obsession with secrecy, this is hardly unusual. To be informed in the Soviet Union is a privilege, not a right. The traditional attitude is that information should be given on a need-to-know basis.

In this case, the Kremlin clearly decided that the 260 million Soviet citizens did not need to know about their leader's illness.

This posed a problem for foreign correspondents. Russians seem to think it odd and suspicious that anyone should concern himself with the details of subjects that are not in his field. It seems almost improper, for instance, to ask a spokesman of the Soviet airline Aeroflot how many aircraft it has ("Many" was the reply).

When it comes to matters of state policy and leadership changes, there is hardly anyone to turn to for information. Both Tass and Pravda, official organs of

the country and the Communist Party, maintain a

prolific silence on such issues. As far as the Soviet media are concerned, Kremlin leaders never get ill, nor do they argue with one another over policies, nor do they make mistakes while in power. The information vacuum surrounding the

figures jockeying for position in what is generally perceived as the twilight of the Brezhnev era.

This jockeying was not directed against Mr. Brezhnev, although the ultimate prize is his post once he leaves the political stage. There was speculation among foreign analysts in Moscow that much of the infighting was directed against Konstantin U. Chernenko, a Brezhnev protégé, who was taken into the ruling Politburo less than four years ago and whose sudden rise is believed to have been opposed by other senior figures.

According to this argument, Mr. Chernenko has tried to consolidate his authority while his patron was still in charge. Various rumors, including those linking members of Mr. Brezhnev's family to certain corrupt practices, were seen as part of an effort to prevent Brezhnev loyalists in the Politburo from installing Mr. Chernenko in Mr. Suslov's old post.

Issues Remain
On a broader front, the rumor mill also appeared to reflect a conflict between those favoring cautious, incremental shifts in policies and younger party leaders seeking more fundamental changes.

All this was speculation. Yet, even though Mr. Brezhnev's reappearance restored normalcy to political life, the issues raised during the unsettling days of his disappearance continue to percolate within the elite.

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Republicans Win Test on Tax Program

U.S. Senate Rejects Move to Repeal Cuts

By Helen Dewar
Washington Post Service

WASHINGTON — The Senate has rejected an attempt by Democrats to repeal President Reagan's plan for a third year of individual income tax cuts as the Republican majority was at the same time beating back other efforts to restore funds for social welfare programs in next year's budget.

In the first test of Mr. Reagan's tax program this year in Congress, the Senate Thursday voted 68-32, against a proposal by Sen. Ernest Hollings of South Carolina, ranking Democrat on the Senate Budget Committee, to repeal the 1983 tax cut in addition to \$107.2 billion in tax increases that the Senate Budget Committee has proposed for the next three years.

On Mr. Hollings' proposal, 17 Democrats joined all but five Republicans in voting against what would amount to a tax increase of more than \$180 billion by 1985.

The Senate then voted, 63-35, against a bid by Minority Leader Robert C. Byrd, Democrat of West Virginia, to put the Senate on record as favoring deferral of next year's tax cut as part of the \$107.2 billion in tax increases over the three-year period.

Describing the \$107.2-billion tax increase as a blank check for any kind of levies Congress might want to impose, Sen. Byrd argued that the 1983 tax cut should be deferred, "until the current budget crisis has passed and interest rates have dropped to affordable levels" or have been replaced with a "fiscally prudent tax cut which distributes benefits fairly to all working and middle-income Americans."

Democrats Fail
The assault on the tax cut came after Democrats failed to restore money that the committee had proposed to cut from education, health, environmental and other programs. Also defeated was a proposal to cut foreign aid.

The closest vote was on a proposal by Sen. Gary Hart, Democrat of Colorado, to restore \$991 billion over the next three years for programs for educationally disadvantaged children.

In the first test on the issue, Sen. Hart lost by three votes, with seven Republicans supporting his effort. He came closer on a reconsideration vote, losing by two only after Republican leaders succeeded in some arm-twisting on the floor.

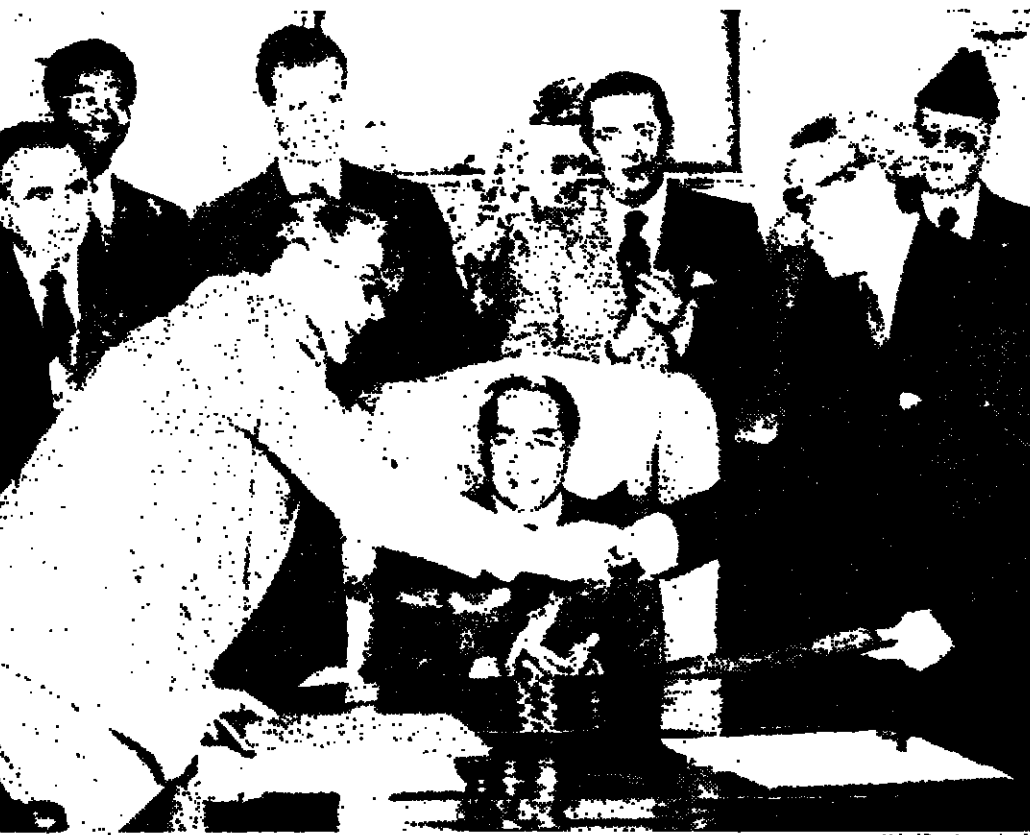
Sen. Hart's proposal would have kept funding for the programs at their current levels. In the debate, he said only 45 percent of children eligible for the educational assistance were receiving it before last year's cuts of \$400 million were implemented.

Additional \$76.3 Billion
Sen. Hollings' tax proposal would have added \$76.3 billion to the \$107.2 billion in tax increases by 1985 that the Budget Committee had proposed. Republicans said they feared this would be too much for an economy struggling out of a recession.

"I just don't believe the economy can stand that much," said Senate Budget Committee Chairman Pete V. Domenici, Republican of New Mexico. However, Sen. Hollings contended that, if it were adopted, "the message would go out to the markets and everyone else, including (Chairman) Paul Volcker of the Federal Reserve, that the Congress has finally been serious about the problem" of reducing deficits, thereby easing pressure for high interest rates.

Meanwhile, the House braced for opening of debate Friday on several budget alternatives, with everyone hedging bets and Mr. Reagan taking a low-key, backstage role, at least for now.

Three main alternatives include a Democratic-drafted plan recommended by the House Budget Committee, one prepared by House Minority Leader Robert H. Michel, Republican of Illinois, in consultation with some GOP moderates and Democratic conservatives, and another bipartisan plan advanced by moderates of both parties.



Secretary of State Alexander M. Haig Jr., left, shook hands with Moroccan Foreign Minister Mohammed Boucetta as King Hassan watched after the signing of a cultural accord in Washington.

Morocco Appears to Play Down Any Accord With U.S. on Bases

By Barbara Crosser
New York Times Service

WASHINGTON — The Moroccan foreign minister has appeared to minimize the meaning and extent of an eventual agreement with Washington that would allow U.S. forces to make use of Moroccan military facilities.

Administration officials said on Wednesday that they had hoped to conclude an agreement on the use of a base or bases before the end of a visit by Morocco's King Hassan II. On Thursday, however, the State Department said that only a cultural agreement would be signed before the king left Washington.

While declining to link permission to use the Moroccan bases to promises of U.S. military aid, Foreign Minister Mohammed Boucetta said Thursday that the accord would fall "within the scope of giving Morocco weapons to defend itself" and that any Americans in Morocco would be there to help the Moroccans. The United States has sought transit rights in Morocco for use in potential Middle East crises.

Mr. Boucetta said that Morocco was the victim of aggression by forces using very sophisticated Soviet-bloc weapons, a reference to the Polisario movement fighting

the Moroccan Army for control of the Western Sahara. He said that the Moroccans were in the United States primarily to talk about arms aid and to establish cultural agreements.

He added that discussions about military cooperation between the two countries were in the hands of a joint commission established in February when Secretary of State Alexander M. Haig Jr. was in Morocco.

Mr. Boucetta sought to dismiss the Polisario Front as no more than "a faction armed by Libya and sheltered by Algeria." He said that Morocco refused to negotiate with the independence movement because it did not exist. He said, "What is the Polisario? No more than 10 people."

The Polisario fighters are Saharans challenging Morocco's claim to rule the Western Sahara, an area given up by Spain in 1976. Some members of the U.S. Congress have begun to express concern that the United States could be dragged into involvement in the dispute as it did in guerrilla wars in Central America. The House Foreign Affairs Committee has tried to block the use of U.S. military personnel, including trainers, in any activity involving the Saharan conflict.

Mr. Boucetta reflected, in his cautious comments on the base agreement, Morocco's sensitivity toward its partners in the Arab League. Morocco has rejected the Camp David accords between Israel and Egypt and cannot risk appearing to the Arabs as too close to the United States.

The foreign minister said, however, that Morocco had congratulated Egypt on the return of the Sinai by Israel last month and added that he would be making a visit to Cairo soon.

Bases in Spain
MADRID (Reuters) — Talks on renewing the agreement under which the United States uses military bases in Spain are continuing and a new accord is expected to be signed early next week, a Spanish Foreign Ministry spokesman said Friday.

While the agreement technically was to expire Friday night, he added, the two sides had reached 90-percent agreement on a new one, and its signing was being delayed by details. Under the pact the United States has maintained two air bases and a naval base in exchange for substantial military and economic aid to Spain.

Senate Panel Protects Freedom of Information

By David Shribman
New York Times Service

WASHINGTON — The Senate Judiciary Committee after a year's consideration of Reagan administration proposals for major alterations of the Freedom of Information Act, voted unanimously to leave the law substantially intact.

The committee's action was a rejection of administration proposals to put information about investigations on terrorism and foreign counterintelligence beyond the reach of the law, which permits citizens to request documents detailing government activities.

The committee voted, however, to tighten restrictions on the release of information about the investigations of organized crime and to create additional protection for files involving government informants.

Thursday's vote drew praise from press and public interest groups, which feared that the act, which has become a symbol of openness in government, would be seriously altered. "It's a stunning victory not just for the press but for the public," said Bruce W. Sanford, counsel for the Society of Professional Journalists.

Contentious Debate
The committee vote, which followed contentious debate and back-room negotiations that were concluded only moments before the session, is not expected to end the controversy surrounding the act, however. Representatives of business groups are expected to lobby for further provisions to protect information submitted to the government by businesses.

The bill that the committee approved emerged from lengthy negotiations between Sen. Orrin G. Hatch, Republican of Utah, who was the chief advocate of tightening the act, and Sen. Patrick J. Leahy, Democrat of Vermont. The negotiations produced changes in every section of the Hatch bill that saw approval in subcommittee in December.

"None of us accomplished all that we desired," said Sen. Hatch. The administration had proposed to expand substantially the kinds of business information to be protected from release to the public and to put information that is part of an open law-enforcement investigation beyond the reach of the act. Both elements were dropped by the vote.

The measure almost certainly will face another battery of amendments before it reaches final Senate action, and the ultimate outcome of this bill remains uncertain. But in view of the committee's action, it is likely that if the Senate does not approve this version, it will not act at all and thus will leave the act in its present form.

Monitors on Files
The new version would permit the creation of a monitor of up to eight years on release of files involving government investigation. Under the provisions of this version, government investigators may not destroy these organized crime files for 10 years following the monitor.

In an area that received broad bipartisan support, the bill would add protection to government informants. The latest version would change the standard for releasing such files from information that "would" disclose the identity of government informants to information that "could reasonably be expected to disclose" an informant's identity. The action also would exclude requests for such information from third parties.

It would also create two new exemptions from the act, one for technical data that cannot be exported and another for records or information in Secret Service files involving protection duties of agents.

The new version also would permit a business that submitted information to the government to be notified if a Freedom of Information request had been made for that information. It would provide an opportunity for the business to state its case while the government decided whether to release the information and would grant the business the statutory right to judicial review of the final decision.

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Jakarta Rebuffs Envoy, Draws U.S. Displeasure

By Bernard Gwertzman
New York Times Service

WASHINGTON — Secretary of State Alexander M. Haig Jr. has expressed regret that Indonesia has refused to accept one of the Foreign Service's top Asian experts as the next ambassador to that country.

A statement read Thursday by Dean Fischer, the State Department spokesman, was meant both as a rebuke to the Indonesians for the unusual action in turning down President Reagan's nominee and as a sign to the Foreign Service that Mr. Haig was not indifferent to the fate of the nominee, Morton I. Abramowitz, whose latest post was ambassador to Thailand.

"Mort Abramowitz is a truly outstanding foreign service officer who has served with distinction in a variety of responsible and challenging positions," Mr. Haig's statement said. "There has never been any question in the president's mind or my own that he was an excellent choice for the post in Jakarta, and we expressed to the government of Indonesia our full confidence in him."

Mr. Fischer was unable to say why Mr. Abramowitz was unacceptable to the Indonesians. He said Jakarta gave no official explanation for the decision — one that is rarely taken by governments because it is considered insulting to refuse the nominee of a friendly government.

Friends of Mr. Abramowitz attributed his problems in large part to an anonymous "point paper" memorandum dated Oct. 1, 1981, that apparently circulated within the Reagan administration.

The document, which was stamped "Confidential," was given to the syndicated columnist Jack Anderson in February, and he gave a copy of it to The New York Times on Thursday. It alleges, among other things, that Mr. Abramowitz's "political philosophy is akin" to Democratic Party politicians such as George S.

McGovern, Edmund S. Muskie and Walter F. Mondale and that he was "the architect for U.S. troop withdrawal from Korea in 1977."

Mr. Abramowitz's friends disagreed with both of those statements, saying he had in fact argued strongly against President Jimmy Carter's decision, later rescinded, to pull back the troops.

In December, Indonesian officials told persons at the U.S. Embassy in Jakarta that President Suharto had received a copy of an anti-Abramowitz memorandum and was opposed to his becoming ambassador, a department official said. Because of such negative responses from Indonesia, the State Department had hesitated to ask for formal acceptance of Mr. Abramowitz.

But recently the department went ahead and asked for acceptance. The Indonesians then responded this month that they would neither accept nor reject Mr. Abramowitz, said a department official who said was "an Indonesian no."

Other theories advanced by friends of Mr. Abramowitz at the State Department were that some Thai officials told the Indonesians that Mr. Abramowitz was a "tough" envoy and that they should beware. Others said it was possible the Indonesians, most of whom are Moslem, decided not to irritate Islamic fundamentalists by accepting Mr. Abramowitz, who is a Jew.

Mr. Abramowitz, in a telephone conversation Thursday, refused to comment on his case, except to say there was no evidence to suggest he was turned down for religious reasons.

Mugabe in Rome for Talks
ROME — Zimbabwe Prime Minister Robert Mugabe arrived Thursday night at the head of a senior government delegation.

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Gandhi and Congress-I Party Suffer Severe Setbacks in 3 State Elections

NEW DELHI — Prime Minister Indira Gandhi and her Congress-I Party lost one state election Friday, trailed in a second and failed to retain an absolute majority in a third in an apparently serious erosion in her popularity.

The results represent a setback for Mrs. Gandhi, who is halfway through a five-year term of office, even though an alliance led by her party took the southern state of

Kerala from a Marxist-led front in Wednesday's regional elections.

Other results show that the fragmented opposition forced a stalemate in the northern farming state of Haryana and was slightly ahead of the Congress-I in the state of Himachal Pradesh. Both states were ruled by Mrs. Gandhi's party.

A Marxist-led leftist front gained an absolute majority in the volatile eastern state of West Bengal where Mrs. Gandhi had campaigned hard to wrest control from the Communists.

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DEATH NOTICE

HENRY FLETCHER

Graduated Harvard 1950, writer of *Men and Women* and of *Vigilante*, died in Paris at the age of 53 of a heart attack while being treated for cancer. Burial will be held with the immediate family.

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Herald Tribune

Published With The New York Times and The Washington Post

EEC Falkland Fallout

While the crisis in the Falklands seems to be moving toward a climax, Britain's relations with its friends and allies in Europe get steadily worse. Earlier this week, after much debate, the European Economic Community grudgingly extended for one week its economic sanctions against Argentina. In both the reluctance and the brevity of the extension it was a remarkably unhelpful gesture.

If the gesture was intended to dissuade the British from further action, it will doubtless prove to have been a failure as well. It can only have been read in London as one more reason to get the affair settled fast.

After the split vote on sanctions, EEC ministers then proceeded to take up the annual row over agricultural subsidies. It has been running more or less continually since Britain joined Europe nine years ago, and if it involved money alone it might perhaps be soluble. But it acts as a magnet, drawing to it all the political suspicions and resentments that surround British membership.

The British tradition was low food prices and no farm price supports. The Continental tradition was the opposite. Britain understood, when it came into the EEC, that its food would cost more. But no one foresaw or could have foreseen the huge contributions of cash that the arcane EEC formulas would

extract from Britain. The effect is, absurdly, that British consumers with their low incomes are heavily subsidizing the agriculture of Northern Europe with its high incomes.

To force a better settlement this spring, Britain had been blocking the farm price increases that the rest of the EEC wanted. There was an unwritten rule that no country was ever overruled on a matter of national interest, but on Tuesday the others overrode Britain on the farm prices.

The British were incensed. The French contributed their annual statement to the effect that they are fed up with the British—suggesting once again that the advent of a Socialist government in Paris has made fewer changes than you might think. The upshot is a great surge of ill feeling, far more than the farm quarrel normally generates. This time the votes seem clearly to imply a lack of support for the Falklands venture and perhaps even an inclination to take advantage of Britain's distraction.

As wars go, the battle for the Falklands is a small one. But it has already had startling consequences. For one thing, it may have threatened naval warfare. For another, it now seems to threaten real damage to the political base on which the EEC stands.

THE WASHINGTON POST.

Dominican Good News

They elected a president in the Dominican Republic the other day and the first thing he did was to ask the two main losers to help arrange a smooth transition. All the actors in this constitutional drama are civilians, and both of the losers are former presidents.

Not a big deal, you might think. But it is, when you recall the situation a generation ago, after the assassination of the tyrant, Rafael Trujillo. Before he seized power in 1930, Santo Domingo had had 123 rulers; all but four post-colonial leaders were military men. No president ever stepped down voluntarily. As President Kennedy's envoy, John Bartlow Martin, found in 1962: "The history of the republic is really non-history. It shows no development of social or political institutions. It shows no growth of a nation. We ourselves seldom realize how much we owe our past, Dominican history, unfortunately, despite all the bravery and bloodshed and

sacrifice, comes to nothing. The Dominicans have ended where they began."

They have come a long way in the last 20 years. They have nourished a democratic culture despite poverty, plunging sugar prices and a brief, unwarranted U.S. military intervention in 1965. A threatened coup four years ago, when leftish Antonio Guzmán was chosen president, was helpfully discouraged by the Carter administration. There was not even a threat this time.

The election of Salvador Jorge Blanco brings no guarantee of prosperity. But it does give hope for social and economic justice. And with every orderly election, 4 million Dominicans confound those who judged them too poor or illiterate to sustain free government. Not as promising a place for Latin democracy, one used to hear, as rich, literate and Europeanized Argentina.

THE NEW YORK TIMES.

LETTERS

Islam and Freedom

Lionel Bloch's inability (*Letters*, May 7) to understand how Islam can be said to offer "free expression in a world of oppression" shows how much he and others need to read Thomas Lippman's book. Bloch seeks to refute the proposition by citing some examples of repressive Muslim governments. But they, of course, constitute the "world of oppression" in which so many Muslims have to live. Islam may be used to justify oppression, but it also provides the victims, very often, with the only vocabulary and ideology through which they can articulate their misery, their anger and their aspiration to a better life.

EDWARD MORTIMER, London.

Assessing the UN

The article "3 Ex-Secretaries of State Urge U.S. to Reassess UN Policy" (*IHT*, March 17) noted that the chairman of the ad hoc American group, "who helped frame" its report, was Morris B. Abram, honorary president of the American Jewish Committee. The report attempted to identify the "ills" of the United Nations, and recommended that the United States be prepared to act outside the UN framework. The "ills" enumerated by the report were "Iraq's invasion of Iran" (as a case to demonstrate supposedly the incompetence of the Security Council), the "strange failure of the United Nations to endorse the Camp David agreements," and the "injection of extraneous issues, notably attacks on Israel."

The report recommended that the United States should reach a "gentleman's agreement" with black African nations to help fight racism and apartheid if they will oppose efforts to include "the irrelevant subject of Zionism."

It is indeed unfortunate that the findings of the report are so openly biased in favor of Israel and Zionism. We make the following observations:

• The report seems to find the problem of the United Nations to be the way states vote in the General Assembly (for instance, on resolutions which equated Zionism with racism and condemned Camp David), and not rather the

refusal of certain states or entities such as Israel to comply with the terms of resolutions adopted by the General Assembly.

• The report says nothing about the real problem of the United Nations, namely, the inability of the organization to deter aggression such as Israel's annexation of Arab territory, which violates not only the basic and fundamental provisions of the Charter but also customary rules of international law.

Reference to Iraq's supposed "invasion" of Iran is a red herring. It is clear that it was Iran and not Iraq which started the war, and it was Iran which still refused all efforts to mediate.

• The suggestion that the United States support black African nations at special conferences in South Africa if they bar the subject of Zionism reveals not only the Machiavellian content of the report but also the degree to which the authors have misunderstood the genuine animosity of African and Asian countries to the racist creed of Zionism.

• The problem of America's diplomacy is that it has come to be a prisoner and satellite to Zionist and Israel interests. The solution cannot be for the United States "to act alone" outside the scope of the United Nations, but rather to free itself from the fetters of Zionist pressure groups and to act in harmony with America's national interest.

Dr. M. EL-MASCHAT, Ambassador of Iraq, Paris.

Atlantic Ink Spot

The Falkland Islands are nothing more than one big Korschach test. Everyone looking at the image interprets it differently.

DEBORAH HOCHGESANG, Hamburg.

The entire Falkland Islands crisis is a deadly depressing not only because of current dangers but also because it is so historically repetitious—of political blunder, of nationalism unleashed, of leaders diverted from their people's aspirations, of mediocrity and evil seeking reward. It is also depressing because:

• It was so inevitable. Argentina's continuous governance by the military, and the reduction of

Britain's imperial role and corresponding military resources, meant, in retrospect, that it was only a matter of time and circumstances giving enough daring to the Argentine incumbents.

• A great Western country risks defeat and humiliation by forces beyond her control: distance, hostile conditions and terrain, and allies who prefer appeasement to real peace and the upholding of international law.

• The South American psyche is blind. The articles by Dorrit Harazin and Juan Ferreira (*IHT*, May 12), supposedly persons of intellectual influence, could offer no better ideas than that the "Malvinas," being closest to Argentina, though still some 400 miles away, belong to Argentina. (If proximity creates ownership, how come Trinidad isn't part of Venezuela? Or Sri Lanka part of India? Or French part of France?) Not a word here on what is right or wrong, or how invasion is justified, or why the Falklanders want, or what UN Resolution 502 is unacceptable.

J.J. EDSTROM, Camberley, England.

About Guatemala

Regarding "After Guatemala's Coup" (*IHT*, May 11): Having acknowledged that the less than two-month-old government has pledged respect for human rights, civil liberties and press freedom, the editorialist in Guatemala City, Michael Manning says that "military violence in the countryside is deeply entrenched."

In due fairness to the incipient government of Gen. Efraín Ríos Montt and to his repeated assurances of conciliatory and constructive reforms, it should have been stressed that, if subversive activities have ceased in the capital, action of guerrilla groups still active in the rest of the country continues to require army intervention, and that, in order to be able to "reduce" the "deep social and economic tensions," "vision and will" alone would be hopeless unless calm and peace prevails all over the country and the government is given a reasonable period of time, not just a few weeks.

M. FERNANDO SESENN, Embassy of Guatemala, Paris.

Principles, Indeed, but Strength Is Not Rigidity

By Flora Lewis

PARIS — Stone breaks scissors, scissors cut paper, but paper wraps stone, goes the old children's game. Strength is not just hardness or sharpness, but a sense of what is appropriate. Britain's Margaret Thatcher, living up to her "Iron Lady" image, seems to have lost sight of larger goals in the immediate crisis facing her.

It is fortuitous, but was not really unforeseeable, that the Falklands conflict and European Community economic issues should come to a head at the same time. The situation is full of ironies.

Last month, for the first time, the EEC reacted as a live political entity, with spontaneous, full and costly support for Britain against Argentina. Now it is more severely divided, on an economic issue, than at any time since France's President Charles de Gaulle sulked his way to an apparently permanent right of veto with his "empty chair" decision in 1965.

The Continentals did not link sanctions against Argentina with British willingness to compromise

on the EEC budget last month, but they obviously hoped a sacrifice for solidarity would encourage a reciprocal move. Ireland, and Italy with domestic tensions that could have toppled the government, found sanctions on Argentina so painful they did not even agree to renew them for a mere seven days to give negotiations at the United Nations another chance.

With all this, Community ministers had to fix this year's agricultural prices, already late for their

angry farmers. Britain refused to endorse the agreed level unless the others accepted Mrs. Thatcher's principle of full return of its contribution to the budget, rejecting a compromise offer that others considered fair or generous.

Since 1966, when the then six-member Community set aside the treaty provision replacing unanimity with weighted voting to appease de Gaulle and end its first threatened split, the custom has been to accept one-nation veto rights. But Britain, succeeding France as the most prickly member, provoked a revolution.

By vote, with Britain against Denmark and Greece abstaining to show their preference for the veto system but acceptance of the decision, the Community partners set new prices anyway.

There will probably be reprisals and counter-reprisals, raising the stakes for saving face as they have been raised in the Falklands dispute. Yet it is obvious in both cases that sooner or later there will have to be an accommodation.

Prime Minister Thatcher is committed to keeping Britain in the European Community, and it cannot pull out now without huge damage to its own interests. In the Falklands, even if her military forces completely overwhelm the Argentines, which is unlikely, time is against the British. They cannot defend the islands indefinitely, and will still have to look for a negotiated settlement.

The short-term temptation to win national plaudits for bagging unyielding remains keen in a world where politicians only have to worry about domestic ratings. Already France's President François Mitterrand has let it be known that he can be "as inflexible" as Mrs. Thatcher.

But he is using words to cloak a

new French appreciation of how far interdependence has gone and how necessary it is to understand that economic, political and security problems must all be fit together in the common interests of the West. It is a thesis he will be advancing in summit meetings with President Reagan next month.

The French claim they did not retreat from de Gaulle's stand against supranationalism, because the voting was not on principle but on prices. Still, it is an important precedent and they know it.

In the same way, Paris quietly broke with another Gaullist habit by arranging the NATO foreign ministers' spring meeting in Paris next year, for the first time since de Gaulle expelled the Alliance. The astonishing symbolism is officially brushed aside with the disingenuous explanation that after so long it is France's turn to be host. Besides, a French spokesman said, foreign ministers will come; defense ministers' meeting, which France still refuses to attend to show its military independence, will have to be elsewhere.

Together, the Community vote (favorable for France but still a price compromise) and the NATO gesture signal a willingness in Paris to accept the need for partners to accommodate each other. Together, Mrs. Thatcher's "Iron" in the Falklands and in the Common Market signal troubles stirred by a contest of sheer will.

Principles matter, especially the historically recent principle against seizure of territory by force in a fragmented, over-armed world. Argentina must recognize that its claim cannot be validated that way. But it is also important to realize that, standing on one's own chosen principle is a shaky national platform, and room has to be made for others to avoid disasters for all. Rigidity isn't victory.

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Falkland Ripples, Already Choppy, Can Turn Into Waves

By Charles William Maynes

WASHINGTON — Thursday's decision by Prime Minister Thatcher to abandon diplomacy and to unleash her fleet in an attempt to dislodge Argentina from the Falkland Islands by force pushed the six-week-old crisis into a perilous new phase.

Her decision, along with the collapse of the UN mediation effort, leaves the United States virtually alone in the critical task of doing what it can to end the war soon.

In addition to the now obvious opportunity that the crisis is creating for the Soviet Union and the damage that it is causing to the United States' relations with Latin America, the Falklands war has already had the following unexpected effects:

• Economically, it has resulted in a decision by Venezuela to withdraw from London banks its dollar deposits, now estimated as high as \$3 billion. It has caused the developing countries to seek amendments to the General Agreement on Tariffs and Trade that would limit the ability of industrialized countries to impose economic boycotts. It has led Lloyd's of London to cancel shipping insurance for vessels going to Argentina; this in turn has led the Soviet Union to postpone grain contracts with Argentina and issue menacing protests to London.

• Diplomatically, it has set back peace prospects in Northern Ireland. (Britain will not soon forget that after the sinking of the Argentine cruiser General Belgrano, the government of the Irish Republic decided that Britain had become the aggressor.) It has poisoned the United Kingdom's relationship with the other EEC countries.

• Militarily, it has emboldened developing countries all over the world to move up the technological scale in their arms purchases; after all, a single Argentine pilot armed with a French missile scored his country's first major victory in the conflict. And it has raised the gravest doubts about the continuing ability of NATO countries to cooperate with one another in vital areas that are formally outside the NATO framework, such as the Gulf region.

Last week the commander of the Argentine Air Force stated: "The first thing we have to do is perfectly locate [the British ships] and have them within range of all of the arms systems we have. As soon as this happens, we will launch a massive attack."

When the British troop ships approach the theater of operations, the potential for disaster of even greater magnitude increases. If an Argentine submarine or aircraft were to sink a British troop ship, sending perhaps thousands to a watery grave, Britain would almost certainly abandon the effort to recapture the Falklands, and Mrs. Thatcher's government would fall. But the affair would not end with British humiliation. Major implications would soon emerge for British diplomacy and U.S.-British relations.

The United States has no enduring stake in the political survival of Mrs. Thatcher, but it does have an abiding interest in making certain she is not replaced in circumstances that weaken the British commit-

ment to NATO and the Alliance. A British humiliation at the hands of a quasi-fascist regime courted by the Reagan administration in its early days would release a wave of anti-Americanism in Britain, where denunciations of U.S. policy-makers thought to be sympathetic to Argentina are already intense. In such an atmosphere, the United States, which already finds its policies in NATO under attack throughout Western Europe, might suddenly encounter opposition from a new and unexpected source — its English-speaking cousin.

The United States now has two overriding objectives. It must ensure that in future fighting Britain will not be humiliated. It must at the same time persuade the British to be magnanimous once victory is theirs. In an age of smart bombs, wars are no longer very jolly — not even small wars, and not even for the spectators.

The writer is the editor of Foreign Policy magazine. He contributed this comment to the Los Angeles Times.

In Jamaica, Seaga's Main Enemy Is the U.S. Recession

By Jonathan Power

KINGSTON, Jamaica — Despite the predictions by the Jamaican left of new U.S. bases and renewed military aid, there is little evidence that the Reagan administration is trying to militarize the Caribbean. Two conservative leaders, Jamaican Prime Minister Edward Seaga and President Reagan, seem to be of a mind that the most effective way to combat political unrest and Cuban penetration in the Caribbean is by economic and social improvement. "We have never found any inclination on the part of Washington," says Mr. Seaga, "to look at the Caribbean in terms of increasing the military posture."

Yet only a year and a half ago — when Seaga was locked in bitter combat at the polls with Michael Manley, political violence was endemic, the economy was in its eighth year of negative growth and the left in Manley's party seemed to be in close alliance with Cuba — Jimmy Carter's Washington became convinced that the United States must upgrade its military presence in the Caribbean.

Seaga, first by his election triumph (shortly before Reagan's) and second by his political courage, his energy and his carefully cultivated friendship with the inner Reagan circle, has been influential in muting Washington's military talk.

"We have been able to contain Cuba in terms of posing an imminent military threat," Seaga says, "because at the bottom, the Cuban system is rotten. He goes on to argue that the string of recent elections in the Caribbean, all of which have led to the defeat of parties with a Cuban orientation, were heavily influenced by the Jamaican experience."

Seaga has bought time for Jamaica and the rest of the English-speaking Caribbean. However, to sustain his position in Washington and at home he has to prove that he can deal with a large backlog of social and political problems, reduce Jamaica's propensity for political violence and maneuver the political balance of his electorate so that the extreme left remains as isolated as it is today. This is a tall order at a time when the country is saddled with debts, export markets in a world in recession are hard to come by and the unemployment rate is around 26 percent.

At first sight it looks as if Seaga is succeeding. In the budget debate this month he was able to report that Jamaica had achieved a 2-percent annual growth rate after eight years of decline. Tourism has rebounded after a bad previous year,

inflation has come down from 28 percent to 4.7 percent, capital formation was 38 percent last year as against 3.6 percent the previous year, and the country is running a surplus in foreign exchange.

Moreover, Jamaica has won the confidence of the International Monetary Fund, and it has become the fourth-largest recipient of U.S. assistance per capita after Israel, Egypt and El Salvador.

Yet all is not as good as it looks. An official "Economic and Social Survey" published in Kingston last week records that the value of imports increased by 26 percent in 1981 while exports rose by only 2 percent. Foreign investors, marshaled by David Rockefeller, although showing great interest, have yet to put their money in. Why should they invest in Jamaica when capacity in the United States is so under-utilized and Jamaica still, despite Seaga, has too much red tape to cut?

The bauxite mining industry is in its worst recession in Jamaican history, and sugar and banana exports are down. Even the tourist industry is not in as golden a state as Seaga would have it. The Jamaica Daily Gleaner reports that a large number of current tourists are on discount package

trips, spending far less than they used to. Privately, U.S. diplomatic sources acknowledge that the economic situation is precarious. Despite Seaga's attempts to decentralize the economy, who private initiative and prune the layers of bureaucracy and state control, it may well be that next year will see a return to negative growth.

It is difficult to fault Seaga's management. With the best will in the world, as long as the U.S. economy is in the doldrums tiny Jamaica will have an uphill struggle to survive. No doubt Reagan will continue to try to help — pushing his Caribbean Basin initiative with its tariff cuts through Congress, buying Jamaican bauxite for the strategic metals reserve and so on. Yet none of this is enough.

The irony is that Reagan, whom Seaga helped convince that guns are not the best answer for the Caribbean's woes, is, with his defense-first, budget-deficit economic management, undermining with his right hand at home what he is doing with his left hand in the Caribbean. Economic and social development can stop being a bean from becoming like Central America, but time seems to be running out. Seaga needs an upturn in the U.S. economy more than any other single thing.

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American Patience With Recession May Be Wearing Thin

By David S. Broder

WASHINGTON — At a dinner in Seattle a couple of weeks ago, a bank official remarked that two major customers had been discussing the area's economic slump, which pushed unemployment in Washington state to 12.8 percent last month. The customers, she said, "were embarrassed to say it, but they had had a very good year." Her comments triggered a series of similar reports from those at the table. Yachts were selling briskly, one man remarked. Another told of an investment counselor who had just signed off on plans for a \$1.5-million house — without a mortgage.

Last week, on another trip, I found myself in conversation with a real estate broker from Greenwich, Conn. "How is business?" I asked. "For houses between \$200,000 and \$700,000," she said, "it's kind of slow. People aren't cutting prices, but they're having to leave their houses on the market longer. For properties over \$700,000, it's terrific."

These are scattered anecdotes, of no significance in themselves. But they provide a counterpoint in a reporter's notebook to the all-too-frequent tales of layoffs and bankruptcies. And they point to a risk that could make the recession itself seem relatively benign: an explosive increase in antagonism between the haves and the have-nots in America's badly beat economy.

Almost every place I have been this year, in the East, the Midwest and the West, local officials and observers have remarked on the extraordinary patience and forbearance of persons who are being squeezed from the economic squeeze. Some polls show that even among those who have lost their jobs there is a persistent hope that, in the long run, current economic policies will bring the country to a healthier condition.

But in the last few weeks — as I have traveled from California to Connecticut, with many stops in between — there have been more frequent signs of tension building beneath the surface. For people like myself, who are lucky enough to have good-paying jobs with companies that are prospering, this really has been a easy year. Inflation is down, and on big items such as cars and household furnishings real bargains are available.

Meantime, our taxes are being reduced, and bankers and brokers compete in offering high interest rates for our tax-deductible retirement savings accounts.

But there is a sense of unease — if not guilt — in our conversations, as with the bank customers who felt "embarrassed" to admit they had had a good year.

And increasingly, I sense, those who have been run onto the rocks in this economy are getting angry at those who are prospering.

That is part of the drumbeat of derision heard everywhere for the members of Congress who voted themselves a quiet little tax break of their own last year. It is part of

the first sharp edge of personal hostility toward President Reagan that I have heard since his election. The comments are scattered, but they are there, and they indicate that his long-sustained personal popularity may be wearing thin.

But more important — and more worrisome in its potential — is the evidence that this prolonged and severe recession may be twisting the ties of trust and tolerance that hold communities together.

From Dubuque, Iowa, which is one of the hardest-hit cities I have seen this year, The Wall Street Journal earlier this month reported on the stark contrasts: When a supermarket opened with 55 jobs, more than 1,400 people applied. But a local company which develops computer programs for

doctors' clinics had a profit gain of 66 percent in the first quarter.

There have been more layoffs in my own field, journalism, than at any time in the almost 30 years I have worked in it. But The New York Times' advertising column reported the other day that advertising revenues are up 41 percent at Town & Country Magazine, which has "repositioned recently as a service magazine for people with money," proving once again, "and the rich get richer."

The Wall Street Journal headlined another story, "Games, Other Luxuries Sell Well as Slump Slows Sales of Durables." Bank profits were up 20 percent over the previous year, it said. Another story reported that more

than 600,000 workers are within 13 weeks of losing their unemployment benefits unless Congress votes an emergency extension.

Meantime, another tax cut approaches on July 1. According to the Joint Committee on Taxation, the 31.7 million tax-filers making \$15,000 a year or less will divide \$2.9 billion in savings; the 162,000 making over \$200,000 will split \$3.6 billion. The favoritism to the rich inherent in these flat-rate tax cuts was justified on the grounds that they would stimulate the economy and produce jobs.

But since the program was put into place, economic differences and social tensions in America have increased — and so has unemployment. That is more than an economic calamity; it is a recipe for social disaster.

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May 22: From Our Pages of 75 and 50 Years Ago

1907: Intellectuals and Bombs

PARIS — The colony of Russian "intellectuals," among whom the fabrication of bombs for export to Russia is carried on, is several thousand strong. They are mostly young men between 18 and 22 years of age, and are assiduous students. At their meetings, speeches of the most fiery character against the czar and the Russian government are delivered. They are attended by disguised detectives and agents of the Russian embassy. However, it is difficult to ascertain the identity of the speakers, who frequently change their names. An official at the Prefecture said: "We are obliged to look on while infernal machines, destined for abominable outrages in Russia, are being fabricated."

1932: Earhart Crosses Atlantic

LONDON — Earhart landed her blue-and-gold monoplane in a meadow five miles from here, 15 hours and 38 minutes after she had left Harbour Grace, Newfoundland, for Europe. She won thus a triple distinction: She is the first woman to have flown the Atlantic alone, she is the first person to have spanned that body of water twice in an airplane, and she has made the fastest crossing on record. Fuel shortage caused by a leaky pipe connection led Miss Earhart to alight as soon as she came to land. Instead of continuing her flight to Paris, "I knew I'd do it," Miss Earhart (Mrs. George Palmer Putnam) exclaimed, "but I sure am sorry I couldn't reach Paris."

Herald Tribune

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May 22-23, 1982

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The Left Bank: Every Man for Himself

THE LEFT BANK: Writers, Artists and Politicians From The Popular Front to the Cold War.

By Herbert R. Lottman. 319pp. \$15.95.

Houghton Mifflin Co., Boston.

by Mavis Gallant

PARIS — Paris has two left banks, real and metaphorical, lower and upper. Lowercase left bank consists of six wards, or *arrondissements*, inhabited for the most part by petit bourgeois families whose taste, conversation and preoccupations are at a great remove from the intellectual and literary squabbles, the style and the manner we still associate with "Left Bank." Uppercase Left Bank — as a place, not a frame of mind — is relatively small. The south side of the Seine is shaped something like an open fan; if you were to pick up the fan, your thumb would rest on that most exclusive of metro stops, Saint-Germain-des-Près, while the hall of the thumb would more than cover the clutch of streets that comprise the physical and allegorical center, the substance and title of Herbert R. Lottman's new book.

As the subtitle suggests, we are on a guided tour of the 1930s and 1940s as seen from the Sixth Arrondissement, where, it must be said at the outset, history was discussed but never decided.

We know the waypoints by heart and can slice them into order: Popular Front, Spanish War, Occupation, Liberation, the first edge of the Cold War. Names crowd one another, we attach to the better-known a face, an attitude, sometimes a voice: the three Andries — Gide, Malraux and Breton — Sartre and de Beauvoir, Camus, Aragon, Cocteau, Ilya Ehrenburg, Robert Brasillach, Arthur Koestler. They do not have to be convivial, dead or alive, to jostle one another across the page. Sometimes a name bobs up to no particular purpose. We learn that it was in André Gide's apartment that André Gide met the Radical Socialist leader Edouard Daladier. Well, what happened? Did Daladier say anything worth repeating? And can Gide possibly have listened?

There cannot be many readers who have not made the trip before, or who have never taken a look at the monuments. The only point in undertaking a survey again would be if there were anything unexpected to be found; the Left Bank intelligentsia and its shenanigans and ambiguities have been as thoroughly scrubbed out as the Bloomsbury group or Berlin in the 1920s. However, Lottman, author of the only full biography of Albert Camus in any language, is a scrupulous and patient chronicler, singularly unmythical considering some of the people he has to deal with. As a rule he lets them speak for themselves through their works, journals and correspondence (the inclusion of the critic Paul Léautaud's crabbed diaries is particularly welcome) and through a number of interviews with survivors, quoted indirectly.

When he adds a comment, it has the tone of a whisper. "What did he actually do?" he asks of Sartre during the Occupation. To put the question is to state an opinion, of course. ("Went on with his work" is the answer, but that is not what is meant by "do" in this particular context. The answer, then, has to be "Nothing much.") Of Ernst Jünger, supposedly shocked after a conversation with the dementedly anti-Jewish Louis Ferdinand Céline (Céline complained that the Nazis were not getting rid of Jews fast enough), he remarks, "Still, one wonders if Jünger really had to cross the Rhine to see such people." Of Malraux, who had assured the *Liternaturnaya Gazeta* that his next novel was to be about Soviet workers in the oil fields, Lottman murmurs, "Perhaps he really thought he would do that."

It is useless to chip away at the Malraux monument, and Lottman, sensibly, does not try. He merely serves him up, whiling away the war with his stunning mistress at La Souco, the villa in the south of France that Dorothy Bussy had lent him. With the villa came a manservant who cooked delicious meals and wore white gloves to wait on table. (Dorothy Bussy was Lynton Strachey's sister and Gide's translator. As a footnote to "The Left Bank," when she reclaimed her house there was not a bottle in the wine cellar, and some of the art hanging on the walls had disappeared.) In the meantime, Malraux's Jewish wife and their child were in hiding, short of money and sometimes of food. When, in 1942, Malraux arranged a meeting with his wife, it was only to ask for a divorce so that he could marry his pregnant mistress. A divorce would have left Clara Malraux without even the token protection of an Aryan husband, and she had to refuse. During their conversation Malraux observed that he was sick of lost causes (he meant the Spanish War) and would approach the Resistance only after the Americans had landed.

Troubled times promote callous behavior, particularly when it looks as if the trouble will last. Lottman has praise and, one feels, genuine affection for Pablo Picasso. Although he ate heartily in black-market restaurants and never turned away an art lover in uniform, Picasso did sign a petition in favor of Max Jacob — aged Jewish poet, artist and Catholic convert — who had been interned at Drancy, the French-run camp near Paris. His co-signers were all big-fish collaborators or those apologetic minnows that always seem to swim along with the Right. Ironically, they had been Jacob's peacetime cronies.

The appeal came to nothing and Jacob died soon after. (Across his identity paper, which was returned to a member of his family, is scrawled "No nation card," in itself a death sentence.) Early this year the composer Henri Sanguet, interviewed by the Paris daily *Libération*, recalled how he and a few of Jacob's friends had asked Picasso to intervene directly with the Germans. Picasso, said Sanguet, "frequently received *l'Occupant* in his studio" and had "powerful connections." "I can still see

the scene. Picasso was eating lunch. He heard us out and replied, 'Max is an angel. He'll fly over the wall.'"

What seems incredibly hard of heart, in retrospect, was probably no more than lack of imagination. The imagination of creative genius has nothing to do with putting oneself in another's place. Lottman, quoting Arthur Koestler, describes how a Frenchman would greet a political refugee, embrace him "and leave him shivering in the street"; and, as he points out, a writer such as Hemingway who did not need a free meal was more likely to be asked to dinner than a penniless novelist who had just escaped from Hitler.

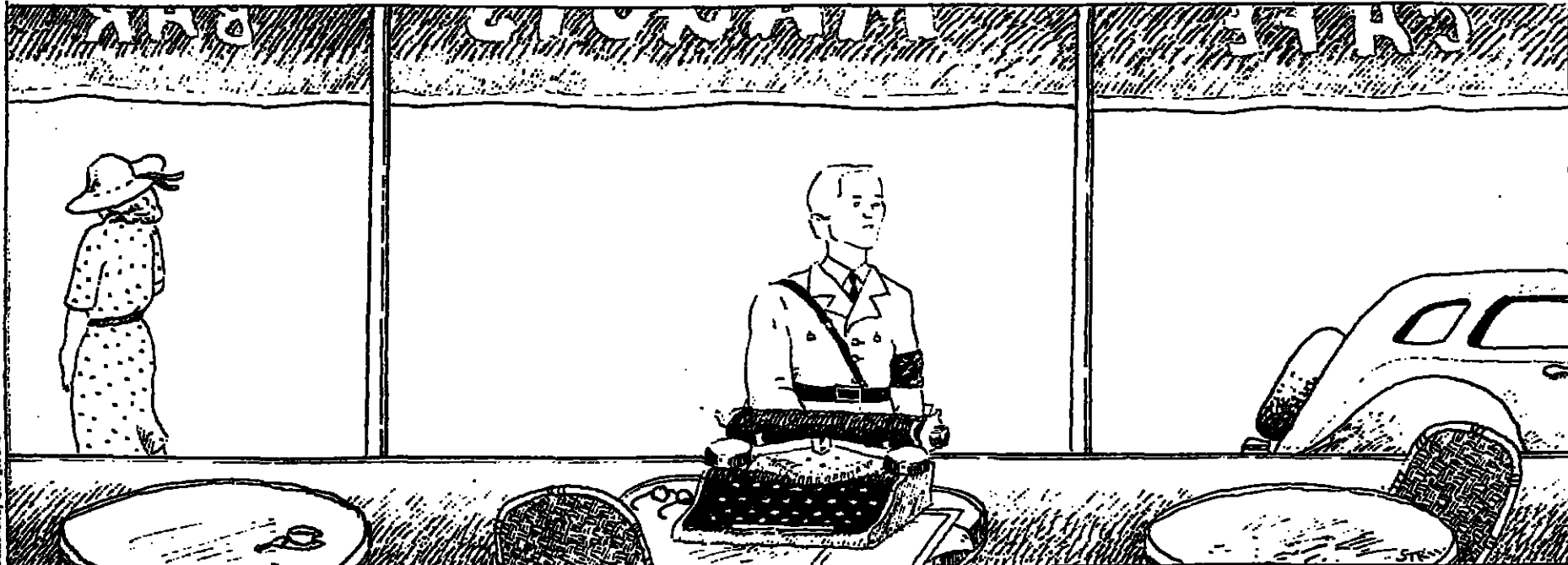
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A chapter titled "Everybody Collaborated?" begins: "If one were to tabulate the memoirs of those years, one might conclude that nearly everyone in Paris resisted the Germans during the occupation. But it is also possible to make the case that 'everybody collaborated.' There were so many, in fact, that to have called them to account later would have emptied publishing houses, theaters, literary reviews, not to speak of cafés and drawing rooms."

"The Left Bank" is particularly illuminating on publishers and publishing. During the Occupation the French published a yearly average of 6,379 titles, a staggering figure when compared with the American wartime average of 9,452 titles, given the difference in populations, the amount of paper available and the relative difficulties of production at that time. The year the Germans took over the whole of France, 1943, was a peak season, with close to 8,000 titles on the lists. The French publishers' association could issue a statement about its "civilizing mission" while accepting a blacklist of authors and a ban on Jews, even as subject matter. Calmann-Lévy, a house founded in 1836, was placed in the hands of an "Aryan committee." "During their tenure, the French carpetbaggers... sold off everything of value," including letters from Flaubert, both Dumas, Saint-Beuve and George Sand. Louis Aragon, publishing a novel early in the war, "permitted Gaston Gallimard to change his unsympathetic German characters into Dutchmen."

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that had been clandestinely produced during the Occupation.

A writer's future depended not so much on what he had written but on that impalpable Paris mixture of gossip and rumor, of likes and dislikes, on swimming too deep or too close to the surface. The writer might be jailed, or exiled, or find that his publisher — as a rule, even more deeply involved with the enemy — suddenly had no time for him. Drieu La Rochelle, having lost his "guarantee of survival," shot himself; Robert Brasillach, the writer for the political weekly *Je Suis Partout*, was shot by a firing squad, thereby wiping out the sins of a good many contemporaries. Some who had survived by applying every form of ambiguity human conduct can devise came out of it as leaders of a new generation. Some changed camps, on tiptoe: others went on smiling and changed salons ("Arrest Cocteau?" a French police official is supposed to have said. "C'est une danseuse.")

A new blacklist of authors appeared. Sartre and de Beauvoir approved. "Vengeance was vain, they felt, but certain people had no place in the new world they were trying to build." That use of "certain people" should have made the blood run cold, given the history of the years before, but the Left Bank was in favor. Left to right, from one decade to another, an extreme of political whim (the basis, sometimes, of authority) seems to represent no more than an efficient cleaning squad. But then, they had been calling for new brooms since the 1930s — Hitler's broom, Stalin's broom. To Charles Maurras, who saw the German victory as "the divine surprise," the broom was to sweep away democracy and the Jews. In a mindless conversation that Lottman cites, a journalist from the revolting *Je Suis Partout* sees, in the Café Flore, "an incredible assembly of Jews and half-Jews," and Léon-Paul Fargue confides that he hopes for the defeat of France, for it will mean getting rid of the Jewish playwright Henry Bernstein.

It must have been difficult to decide how thick the line ought to be around the clean new world. Probably one impassable frontier should have been traced against those who had turned someone in, given a name. Marcel Jouhadieu's wife, Elise, once wrote a letter to the Germans, denouncing the editor and publisher Jean Paulhan as a secret resister and friend of the Jews. (Referring to the incident, Lottman mentions only "the wife of a writer," perhaps in a tactful desire to spare her memory.) The Jouhadieus are dead and so is Paulhan. The only person living is the German officer who received the letter and hushed the matter up; had he not done so, Paulhan might have died in a concentration camp and Elise Jouhadieu might have been asked to explain. Perhaps not; sleeping with a German officer seems to have aroused more postwar indignation than betraying a friend. No wonder those

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Vercors, Voice of the Resistance

by Mary Blume

PARIS — The winter of 1942 in occupied Paris was dreadful, with all the deprivations of war, and with its accommodations. It was the year that some people discovered "good" Germans (that word "good" had no moral connotation: It simply meant that these Germans were cultivated and spoke correct French). It was also the year that the Jews of Paris were carted off in thousands while the city remained silent.

It was a year without hope. "No, it was worse than that. There was a feeling that there was no future," Jean Bruller says. "The Axis had triumphed."

But a Resistance was organizing and, like a number of Frenchmen, in the spring of 1942 Bruller found in his mailbox a copy of "Le Silence de la Mer," a book that had been clandestinely published in February. The package surprised Bruller and pleased him as a sign that "Le Silence de la Mer" was circulating. His interest was more than literary: Under the pseudonym Vercors he was the book's author. It was his first book.

Forty years later, this slim and urgent book has achieved the frozen dignity of a French classic. It is widely taken as a statement on the brotherhood of man when in fact it was intended as a warning against "good" Germans. "Le Silence de la Mer" is a remarkably poised tale of an idealistic German officer who is billeted with an old man and his niece and who tries to get them to share his hope for an eventual union, or marriage, as he puts it, between Germany and France, only to be met by their silence. On a trip to Paris the officer understands that Germany's intention is not to marry France but to rape her, and he leaves in disillusion for the front, warned by one whispered word from the niece: A dieu.

Jean Bruller (he took the name Vercors, used the following year by a famous Resistance group, from the mountainous French region) is a warm and redolent man of striking probity and serenity. He is a quiet man who knows all the resonances of silence. In 1945 he resided in Germany on the silence of the Germans during Hitler's rise.

The book, he says, is not autobiographical although, as he writes in "La Bataille du Silence" (1967), he had heard German officers saying their aim was to let France hold up her head the better to beat her down. "The whole story was invented," he said in his Paris flat, which has lots of paintings and books but not one copy of "Le Silence de la Mer." "The only thing that was not invented was the silence of the girl because that is my story."

When Bruller was denounced after the French defeat he found that his house, 50 kilometers outside Paris, had been occupied by a German officer who was, in the adjective still often used, most correct. He had turned back the rugs so they would not be soiled and had taken a bust of Pascal out of a closet and covered it with laurels. He was charming and complimented Bruller on his taste.

"When I saw him on the street, he saluted me. I found myself ignoring him. The second time, the same thing. After that, it became impossible to greet him even if I had wanted to."

In "Le Silence de la Mer" Bruller/Vercors has the troubled old man say, "I cannot deliberately offend a man without suffering, even if he be my enemy." That, he says, is what happened with his German officer. The offense was not deliberate. It became necessary.

The book was written with a specific aim, to warn French writers of the dangers of showing sympathy to Germans, however "correct." The number of French intellectuals who collabo-



Jean Bruller/Vercors.

rated was, as Herbert R. Lottman shows in his book "The Left Bank," dismally high. Only publishing houses that collaborated were permitted to remain open and while some writers refused to publish during the Occupation, others could not resist the temptation. There was also the famous belief that the German war machine left room for "good" Germans. "Le Silence de la Mer" was written as a call to intellectuals not to be duped, to resist.

Vercors doubts that his book influenced any collaborators and is still astonished that it found immediate favor with the general public. He had so little faith in its success that upon publication he shipped most copies to the unoccupied zone, believing it was too late for Paris. Of course the book had its detractors: The slimy Russian writer Ilya Ehrenburg denounced it as the work of a provocateur, written by a Nazi to support the Gestapo's insidious propaganda campaign.

Before the war Bruller/Vercors was an illustrator whose satirical drawings appeared in newspapers and magazines. During the war he refused to publish and was thought by his friends to be living quietly in the country (the identity of Vercors, Louis Aragon later said, was the best-kept secret of the war). He was an early Resistant and with his friend Jean de Lescaur founded the important clandestine publishing house Les Éditions de Minuit, which published such authors as Malraux and Aragon as well as "Le Silence de la Mer."

"Le Silence de la Mer" was designed by a

leading typographer — Vercors felt strongly that it should be a handsome, solid-looking book, not a bit of wartime ephemera — and for all the dangerous errands related to its publication and distribution Vercors coolly used the name Drien so that if there were problems the notorious collaboratorist author Pierre Drien de la Rochelle would be in trouble.

Only 350 copies of the first edition were printed but the book went around the world. Even *Life* magazine published it — "I think they were more interested by the fuss over the book than by the book itself," Vercors says — and it was translated into English by Cyril Connolly under the title (from "Othello") "Put Out the Light."

"The translation was so good that a French friend in Algiers who had only the English edition amused himself by putting it back into French, and in many cases the lines were exactly the same as the original," Vercors says. "I don't know why Connolly called it 'Put Out the Light,' although the line is used in the book, when 'The Silence of the Sea' comes from Coleridge."

Vercors had illustrated "The Rime of the Ancient Mariner" and then refused to authorize its publication during the occupation. I don't remember saying "Tiens!" when I came to that line, but perhaps I left an unconscious memory. I thought I got the title from Jules

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Mavis Gallant, in Fact and Fiction

by Ann Duncan

PARIS — "It is just Dreyfus and I who live here now," Mavis Gallant says with a laugh as she glances around her Left Bank apartment. Quite simply one of the best short-story writers in the English language today, Gallant has also been working for the last 10 years on a nonfiction study of Alfred Dreyfus, the French army captain who was wrongly accused in 1894 of furnishing military secrets to Germany.

The book, which she calls the risk of her life, draws on her abilities as a fiction writer, Gallant explains. She has published six collections of short stories, most of which first appeared in *The New Yorker*, and two novels.

The Dreyfus project also taps her skills as a former professional journalist and her intimate knowledge of the French. Gallant was a successful feature writer for a now-defunct weekly newspaper in her native city of Montreal before she moved to France 32 years ago at the age of 27 to see if she could make a living as a fiction writer.

For the Dreyfus book Gallant launched into the research by phoning every Paris listing in her personal telephone book to ask for leads. "In no time I had a long list of sources because everyone knows somebody who knows somebody who knows something," Gallant says. "A thing like that the French are marvelous at because it interests them and they want to talk to you."

The technique paid huge dividends. She obtained some of Dreyfus' letters and other personal documents that had never been published.

Gallant also managed to strike up a warm relationship with members of the Dreyfus family, particularly his daughter, Jeanne Lévy, who died last year. "They said they weren't open to every Tom, Dick or Harry," Gallant notes about the family. "They have been so misquoted in the past."

She also spoke with several people who had never before been approached about the Jewish officer's court-martial, imprisonment and subsequent exoneration. "But I was a reporter, don't forget, and historians quite rightly go to the archives."

The Dreyfus book is now in its third and final rewrite — "I suddenly saw it in a different light" — and she vows that it will be ready for publication this year. "Otherwise my publisher will never speak to me again and that would be the end of a long friendship," she adds with the wry laugh that punctuates her conversation.

The book will not present any startling new conclusions about the Dreyfus case, she says. "Perhaps the only value this book can have is a woman's point of view — a woman, a novelist — just another look at it differently because I'm more interested in people than issues."

Her other recent nonfiction works are "The Events in May: A Paris Notebook," excerpts from her daily journal about the riots that shook France in May, 1968, and "The Affair of Gabrielle Russier: Things Overlooked Before," a devastating look at how the French courts and society hooded a 30-year-old school teacher until she committed suicide rather than face further legal action for allegedly corrupting a minor, her 16-year-old lover. Gallant also reviews books about France, such as Herbert Lottman's "The Left Bank" — a review reprinted here from *The New York Times*.

The themes of injustice, the underdog, women's struggle for equality and the origins and extent of cruelty that a society can inflict on some of its members recur time and again in both Gallant's fiction and nonfiction.

From her earliest collection of stories, "The Other Paris" (1956), to her latest, "Home Truths" (1981), the characters that keep cropping up in her writing are expatriates, travelers, rootless people who are out of joint with their native cultures and countries. Her own experiences — she has traveled widely and not lived in Canada since she crossed the Atlantic more than three decades ago — have obviously served her as a writer.

But she is hard-pressed to say precisely where she gets her ideas for her stories.

"It seems almost organic; I have never been able to explain it," she says. "But I know that I see visual situations. It's people in a situation... They come with their names, their voices. They just spring to life."

After that, she explains, she writes and rewrites numerous drafts of the story until she has achieved her twin goals of "absolute clarity" and "no superfluous fat."

It is a slow process — "Even a book review takes a long time but I don't know any other way of doing it" — and she is a relentless editor. The result is a dense style; the reader can never gallop through one of her stories, which may explain in part why she has never achieved a broad-based appeal but has earned the reputation of being a writer's writer.

"She is terrifyingly good," Margaret Atwood, a Canadian poet and novelist, once said. "Mavis Gallant's insights into her characters are achieved with breathtaking economy and rightness of detail." "Her sto-



Mavis Gallant.

ries are built of the purest sentences I know, and they will endure," agreed another Canadian writer, Clark Blaise.

Over the years, Gallant has been snubbed by her native Canada, whose often catty and parochial literary community has accused her of "selling out" by living in Paris and publishing the bulk of her work in the United States. Since last fall, however, Canada seems to have had a sudden change of heart. She was made an officer of the Order of Canada, the country's second highest honor, is to be writer-in-residence at the University of Toronto in 1983-84 and will have her first play produced by a Toronto theater this fall.

Still it is her fiction that she always comes back to, saying she has enough story ideas to last her until she is 100. "I have to squash them because I have to finish this or that," she says. "My life will never be long enough to do everything I want to do, and that's sad."

Ranking the World's Hotels

NEW YORK — In a poll, 100 international bankers rate the Oriental Hotel in Bangkok as the best in the world, with the rest of the top 10 comprising two hotels in Hong Kong, two in Zurich and one each in Tokyo, Singapore, Madrid, New York and Paris.

The bankers listed a total of 40 of their favorite hotels around the world for the survey by Institutional Investor magazine. The Oriental was followed by the Okura, Tokyo; Mandarin, Hong Kong; Shangri-La, Singapore; Dolder Grand, Zurich; Ritz, Madrid; Peninsula,

Hong Kong; Carlyle, New York; Baur au Lac, Zurich; and Ritz, Paris.

In the list of 40, New York and London were tied with four favorite hotels each, followed by Tokyo and Paris with three each.

This is how the bankers rated the hotels from No. 11 to No. 40:

Vier Jahreszeiten, Hamburg; Claridge's, London; Plaza Athénée, Paris; Vier Jahreszeiten, Munich; Connaught, London; Hassler Villa Medici, Rome; The Manila, Manila; Madison, Washington, D.C.; Berkeley, London; Maurice, Paris; Lotte, Seoul; Imper-

al, Vienna; Richmond, Geneva; Four Seasons, Toronto; and Sacher, Vienna.

Also, Pierre, New York; Ritz-Carlton, Chicago; Imperial, Tokyo; Wentworth, Sydney; Grand Taipei, Taipei; Tokyo Inn, Tokyo; Park Lane, New York; Camino Real, Mexico City; Park Lane, New York; Ritz-Carlton Intercontinental, San Francisco; Des Bergues, Geneva; Mark Hopkins Intercontinental, San Francisco; Regency, New York; Ouro Verde, Rio de Janeiro; and Principe & Savoia, Milan.

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International datebook

AUSTRIA

VIENNA, Burgtheater (tel. 5324/2650) — May 24-26: "Das Sparschwein" (Lebiche). May 23: "Measure for Measure" (Shakespeare). May 25-27: "Dante's Tod" (Büchner).

Musikverein (tel. 63.81.90) — May 23: Vienna Symphony Orchestra. "Die Hölle der Töchter." Carl Mielles conductor (Haydn). May 25: "Die Hölle der Töchter." Carl Mielles conductor. May 26: "Die Hölle der Töchter." Carl Mielles conductor. May 27: "Die Hölle der Töchter." Carl Mielles conductor.

Staatsoper (tel. 5324/2655) — May 23: "Don Carlos" (Mozart). May 24: "Don Carlos" (Mozart). May 25: "Don Carlos" (Mozart). May 26: "Don Carlos" (Mozart). May 27: "Don Carlos" (Mozart).

May 24-26: "Das Sparschwein" (Lebiche). May 23: "Measure for Measure" (Shakespeare). May 25-27: "Dante's Tod" (Büchner).

BEELGIUM

BRUSSELS, National Opera (tel. 218.12.66) — May 22, 23, 27, 30, June 1, 4, 6: "Cendrillon" (Jules Massenet). John Nelson conductor.

ENGLAND

LONDON, Barbican Centre (tel. 628.87.95) — Art Gallery — To June 20: "Aftermath: France, New Images of 1945-46." Paintings and sculpture by postwar French artists. Barbican Hall — May 27: London Bach Orchestra (Bach). Barbican Theatre — May 29, 31, June 1 and 2: "A Doll's House" (Ibsen). May 22, 24, 25: "A Doll's House" (Ibsen).

British Library (tel. 636.15.44) — To Jan. 16: "Demons in Paradise and the Turkish Art." Exhibition of paintings of demons in manuscripts.

British Museum — To Sept. 19: "Excavating in Egypt." Exhibition. To Sept. 5: "From the Village to City in Ancient India."

Hayward Gallery (tel. 928.57.08) — To June 13: "The Image of Man." Exhibition of Indian art.

Kensington High School (99 Kensington High St.) — May 26-28: "London Wine Trade Fair '82."

London Coliseum (tel. 836.31.61) —

SHARPS AND FLATS

JAZZ, ROCK AND POP

BRUSSELS, Forest National — May 24 at 8:30 p.m.: Status Quo.

COPENHAGEN, Lorry Nite-Club and Restaurant — May 22: Delta Rhythm Boys.

LOCARNO, The Casino — To May 31: Vera Lova.

LONDON, Odeon Hammersmith (tel. 748.40.11) — May 22-23: R.B. King, John Lee Hooker and Bobby (Blues) Band. May 27-29 and 31: Ry Cooder.

Queen Elizabeth Hall (tel. 928.31.91) — May 23: Diana Ellison Anniversary Concert featuring Adelaide Hall.

May 24-25: Stone Alliance featuring Don Alias and Gene Porter.

Pizza on the Park (tel. 235.55.50) — May 28-29: Elaine Delmar.

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Hong Kong Meals: Dim Sum, Lose Some

by Patricia Wells

HONG KONG — Hong Kong has been described as 3 million people and 3,000 restaurants surrounded by land and water. Where does one begin? It would be nice to be able to say what was once said of Paris: You can't have a bad meal. The contemporary reality is that you can eat poorly in both worlds: the consolation is that one eats less badly in Hong Kong and Paris than in other cities.

Confessing a personal passion for food that's hot and spicy as well as subtle and flavorful, I headed straightaway in Hong Kong for restaurants featuring the highly spiced Sichuan cuisine. One could do worse than dine at Kam Kwong, an absolutely simple, unpretentious little restaurant on the Kowloon side. Here everyone begins with a small platter of cold and peppery pickled cabbage, the kind designed to burn the palate and stimulate the appetite. So as not to overwhelm, the dish is served with a companion platter of cool, soothing vinegared cucumbers, offering a perfect balance.

Next turn to the smoked Sichuan duck, moist, aromatic and totally greasy, or the shrimp in hot garlic sauce, an utterly simple combination of giant shrimp in the shell, fried with chilies and chunks of fresh garlic. The ginger beans — string beans cooked long and slowly and laced with strips of ginger — are equally fitting, and delicious.

Service here is efficient and friendly, and there's a long English menu. Reservations are recommended.

One of the most talked-about Sichuan restaurants in Hong Kong is The Cleveland Restaurant, a jam-packed spot off Food Street in Causeway Bay. Food Street is usually a group of pedestrian streets offering a tacky modern collection of fast food and so fast food shops, attracting hordes of tourists and locals alike.

Reservations at The Cleveland Restaurant will get you little but an hour's wait in a busy lobby ill-equipped to handle the crowds. Once seated in this pleasantly decorated, modern restaurant, you're handed a menu and begin to think the wait was worth it. Smoked pigeon, dry-fried string beans, dumplings with hot chili sauce and sizzling prawns with chili, garlic,

shallots and wine all sound incredibly appealing.

As you wait, the show begins. Everyone's ordered something hot and sizzling, and as portions are poured onto burning platters, smoking, pungent oil fills the air. Everyone coughs and chokes in unison, figuring it's a small price to pay for a spicy feast.

The problem is, it's all show. The appetizer of spicy cabbage is floating in oil. The sizzling prawns are more bark than bite. The lotus buns accompanying the good, crisp, and tender smoked pigeon are light, but too sweet and all too bland.

Later I headed out to Lung Wah Hotel in the New Territories, drawn to this distant locale by a menu that features one of my favorite foods, pigeon, prepared 27 ways. When France's Michel Guérard, Paul Bocuse and Alain Chapel swept through Hong Kong several years ago, they returned home raving about the pigeon banquet at Lung Wah. I wanted to love the place, ate there twice, and only came away disappointed.

Maybe the problem is there really aren't 27 interesting things to do with pigeon. The best dish in this gigantic, indoor-outdoor restaurant is simple roast king pigeon, which diners tear apart with their bare hands and eat with vigor, dipping portions into a spicy salt mixture, mustard sauce or soy sauce. Many of the other dishes are amusing, though a bit too offbeat to be satisfying. A coarse pigeon liver sausage, a sauté of pigeon hearts and walnuts, and bird's nest soup floating with pigeon eggs all served as interesting diversionary dishes, but like everything at Lung Wah, suffered from an incredible lack of attention and an attitude of indifference on the part of the staff.

Some of the best meals in Hong Kong were not meals at all, but typical dim sum snacks, wedged in at odd times of the day. If I lived in Hong Kong I'd probably pick up the habit of so many longtime residents and secure a regular noontime table at the Luk Yut Tea House. Here, amid an airy Chinese atmosphere, there's a teaming with the clatter and noise of good times, one feast on dozens of different, delicate dishes: steamed barbecued pork buns, eggs scrambled with fresh coriander, spring rolls filled with bean sprouts and shredded pork, and a soothing water chestnut dessert.

The teas here are all selected and aged with care. Sample the thick, rich from Goddess of Mercy tea from China's Fujian province, fresh

and fragrant jasmine, or delicate Dragon Well green tea, always drunk young, like a good Beaujolais. The dim sum menu is plainer than English. The best bet is to go with a friend who speaks Chinese, for reservations are at a premium and the hectic tone of Luk Yut leaves little time for pampering foreigners.

For other good dim sum snacks or meals, visit King Bun, a large and lively restaurant on Queen's Road Central on the Hong Kong side, or the Golden Crown, a popular dim sum parlor on Nathan Road in Kowloon. At both restaurants, you can get by without Chinese, just pointing to platters that appeal as waitresses wander through with carts of various fried, baked and steamed dishes.

The chef at King Bun, 71-year-old Leung King, former chef of the Luk Yut Tea House, is one of Hong Kong's most venerated cooks. Dim sum at King Bun is absolutely fresh and widely varied: steamed meat dumplings stuffed with smooth pork loin, smoke-flavored bean curd sheets filled with pork and ham, and variations prepared with squid and with shark's fins are all recommended. King Bun is a popular breakfast spot, with all tables reserved by 8 or 9 a.m., so go early.

The Golden Crown is popular for a quick, 20-minute lunch, and you can pop in without reservations at noon. Don't be insulted if you have to share a table — everyone does. Worth trying are the light and soothing cold soups blended with spicy ham, cabbage and chicken, the crisp and delicate won ton filled with shrimp, and huge deep-fried fish balls.

Kam Kwong, 60 Granville Road, Kowloon, tel. 3-673434. No credit cards; \$10 per person.

The Cleveland Restaurant, 6 Cleveland Street, Causeway Bay, Hong Kong, tel. 5-763876. Credit cards: American Express, Diners Club, MasterCard and Visa; \$10 per person.

Lung Wah Hotel, Shatin Heights, Shatin, New Territories, tel. 0-611793. No credit cards; \$10 per person.

Luk Yut Tea House, 24 Stanley Street, Hong Kong, tel. 5-331970. No credit cards; \$10-\$15 per person.

King Bun, 158 Queen's Road Central, Hong Kong, tel. 5-434256. No credit cards; \$7 per person.

The Golden Crown, 66 Nathan Road, Kowloon, tel. 3-666291. No credit cards; \$4 per person.

Under Sail on a Spanish Vacation

by James M. Markham

MADRID — Our 38-foot sailboat plunged through the swelling Mediterranean off Majorca, scattering smaller boats from a pickup regatta just east of the Bay of Palma. As the 38-foot sailboat plunged through the swelling Mediterranean off Majorca, scattering smaller boats from a pickup regatta just east of the Bay of Palma. As the 38-foot sailboat plunged through the swelling Mediterranean off Majorca, scattering smaller boats from a pickup regatta just east of the Bay of Palma.

Miguel, our 22-year-old skipper, responded by summing up his macho philosophy of the sea, which bears little relationship to more gentlemanly codes learned on Chesapeake Bay or the Maine coast: "The sea is very big. My grande. There is plenty of room for everyone. They have their problems. We have our problems. And we're bigger than they are."

When two friends, a sea-tested American couple, suggested a week's sail around the Balearic Islands, my wife and I thought it was a fine idea. Recalling occasional sails in the United States, we imagined a leisurely, sun-baked promenade on the mirror-flat Mediterranean, punctuated by excellent meals on shore. We did in fact eat well and had we gone in July or August, the sea would have been as tranquil as a pond. But the western Mediterranean is temperamental and capricious, particularly in late September.

Shortly after we boarded our sleek white Noray, Miguel cheerfully told us about his two shipwrecks. Our friends matched him with a first-hand account of a near-sinking off Sardinia. In July, the stories did not exactly add to our comfort, but before long the five of us — four Americans and a Spanish captain — were forged into a passable team on deck.

It's simple and pleasant to rent a sailboat in Majorca, thanks to Alvaro Gomez, who three years ago started Naviera Velamar S.A., next to the Palma Yacht Club, where King Juan Carlos sails every summer. Gomez, who can do business in English, has a small fleet of Norays, Dufours and slightly smaller Elvstroms.

Most of Velamar's customers seem to sail their own boats, but for those who do not know Majorca, Minorca or Ibiza, a naive captain may be a good idea. Gomez produced Miguel Aloy, a scion of the port of

Soller, and notwithstanding his unorthodox seagoing manner, he was fairly conscientious and, at times, delightful.

Not long after we had disrupted the regatta off Palma, where we had a glimpse of the Italian tall ship "Amerigo Vesputti," our skipper announced that he was going to take a swim to beat the heat. As we were skimming along at something like five knots, it seemed an odd moment for a dip. Miguel fastened a line to the Noray's stern, leaped from the bow and, swimming furiously back to the rope, dragged himself through the whitewater. "Just steer straight," was his last order.

Ten minutes later, after his hilarious five-knot bath, our leader clambered up the stern ladder, naked and happy. His suit had been yanked off by the tugging water. Laughing, he flopped out for a sunbath, demonstrating that nude bathing is not confined to the beaches of the Balearics. In the days that followed, crew members also leaped overboard for rope-tows, though our swimming suits somehow did not come off.

The sail settled into a comfortable and somewhat predictable ritual. We would sail out, or in the absence of wind, motor much of the day, having a standard lunch on board of cheese, Spanish sausage, pickles and beer and the rolling sounds of Bob Marley and the Wailers blasting from the powerful stereo thoughtfully provided for the modern sailor.

When the wind picked up, which it did with increasing frequency, Miguel would order his four-member crew about, pulling down sails and lashing others to the side. Our day would end typing up at a yacht club (fees for this run to the equivalent of about \$4) and searching for a good cooked meal. Before bedding down on the boat, we would vow that the next morning we would rise truly early in order to get a good start. We never did, which is perhaps what a vacation is supposed to be.

The Noraya, which can carry up to seven persons, rent for 150,000 pesetas (about \$1,500) a week in July and August and 130,000 pesetas a week the rest of the year. The Dufours, which carry up to five persons, rent for 120,000 pesetas a week in July and August and 100,000 pesetas the rest of the year. The Elvstroms, which can carry up to four persons, rent for 80,000 pesetas a week in July and August and 60,000 pesetas the rest of the year.

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The Left Bank

Continued from page 5W

who were punished were bitter at having been

singled out. Marking on literary salons, Lottman was among the most difficult for us to recreate today because they are the most removed from contemporary behavior. One of the last, which crept (one cannot say flourished) well into the 1960s was haunted by writers, minor and major, who had enjoyed "the divine surprise." It took a great stretch of the imagination to see these soft-spoken, often witty, usually kind, immensely cultivated people, now dead on the street, on the whole, an assembly of clothes moths — as maniacs preaching destruction. But they were, and had been — or something near to that.

The French have a way of swarming onstage, dashing headlong into the scenery and then complaining about the damage. English-speakers who, as a rule, sit tight and hope the theater will hold together, may feel they are watching ideological warfare set to Offenbach. The trouble is that the actors mean it. They can, they do, bring the sets crashing down. Actors who seem only to be playing dead will never rise again. In life, as in art, a magisterial "He deserved it" (to lose his job, to be ostracized, to have his reputation besmirched, to be deported or, when the times allow it, to be shot) is still a Left Bank curial line.

"The Left Bank," with the first helping of information absorbed, one is struck by two things: an almost entire absence of women (this has to do with France, not with Lottman) and a feeling that a great amount of energy and intelligence was often expended to no purpose. The 1930s come to a dead stop, like an overwound alarm clock.

All those speeches, those petitions, drawn up and circulated, the meetings organized and attended, the marches and demonstrations, the traveling and talking and to-ing and fro-ing — from an idea to its denial, from feud to denunciation, from break to banishment, from statement to rebuttal, from the Salle de Géographie to the Munalité, from the Sorbonne "to the all-purpose building" at 44 rue de Rennes... where one could hold a public rally or a secret cell meeting, from a table at the Flore to another at the Deux Magots — seem to remain static, a kind of tragic entertainment, tragic because of the times. Think of the 1930s, when the to-ing and fro-ing extended to Moscow and Berlin: when all those Communist-manipulated congresses, fostered with so much goodwill, good faith and such a lot of voluntary blindness, soaked up the vitality of an entire intellectual class. (No great literary work was produced in those years, Lottman reminds us.)

What if the passion, oratory and persuasiveness had been expended on something closer to home? Votes for women would have been good start, but as an issue it barely interested anyone. (The Left was against feminine suffrage, on the grounds that the women of France, in the hands of the clergy, were bound to vote Right. The disarming thing is that intelligent women swallowed this.) There were children's prisons, and children working in mines and textile factories.

The unspeakable urban slums, the lamentable hospitals were left to right-wing writers, such as Céline, to describe. Almost up to the war, France was the only country still transporting prisoners to overseas penal colonies. One never hears that Malraux or Gide or Ara-

gon — let alone Sartre — ever applied for mortality statistics to that branch of the civil service elegantly called Service de Déportation. When Jean Zay, Léon Blum's Minister of Education, was tried by the Vichy Government on a trumped-up charge of desertion, "déportation" was automatically added to his sentence; it had never been removed from the books. (Lottman refers to Zay in a different context. Soon after being sentenced, he was dragged out of his cell by French fascists and murdered.)

Women exist in "The Left Bank" as wives or mistresses, passing the petits fours and keeping their mouths shut. Simone de Beauvoir is the first woman to have anything to say, and in the 1950s, where the narrative ends, hers is a lone voice. (Whether the voice would have been heard at all without Sartre's to accompany it remains unanswered.) In one unexpected side trip, Lottman takes us to Marguerite Duras' apartment. The war is over. Women can vote. She is a member of the Communist party and will remain one until expelled. Friends and fellow members meet, in her Saint-Germain-des-Près flat, to talk and argue. "Actually, she contributed little to the discussions, for women did not participate much in those days. But she did the cooking, wrote her books, and had a baby. In retrospect, she decided that the silence that custom imposed on women had helped make a writer of her." We are not told how or why.

Lottman concludes with a melancholy quotation from Simone de Beauvoir, "which must be his own way of expressing an opinion on what has gone before: 'Mean something! You and I, mean something! Ah, that's a good one!'"

Vercors earned, but does not wear, the Medal of the Resistance. As a Resistance he is a man with memories no one can share about what André Malraux called the army of shadows. The name Vercors is to him more a symbol than a simple name of plume and he dislikes publishers' efforts to use it on works he has signed Jean Bruller. It is a name he protects.

"I could never, for example, stand for election to the Académie Française," Vercors says. "Not that I want to, although I have been asked. But if I were defeated, you see, it would be the Resistance that was being defeated in my name."

This winter marked not only the 40th anniversary of "Le Silence de la Mer," but also the

Voice of the Resistance

Continued from page 5W

Romains' reflections on the violent battles of animals beneath the sea."

In his youth Vercors took a degree in electrical engineering but never worked at it. He would have liked to have been a scientist partly, says his wife, because of his extraordinary self-sufficiency and his belief that problems can be solved. He has written about two dozen books on a staggering variety of subjects, from philosophical and scientific reflections to a cookbook, from novels to a translation of "Hamlet." He is currently at work on a trilogy about French history from 1862 to 1962, the first volume of which was an autobiography of the statesman Aristide Briand.

"Since he didn't write any memoirs, I did it for him. Briand in 1925 was considered a benefactor of humanity. Today he is forgotten while lesser men like Clemenceau are revered. They had the sense to protect their futures by writing their memoirs."

Vercors does not draw any more or even own a crayon. Some crude critics of "Le Silence de la Mer" speculated that it had been written by an artist and it does have a strongly

weekend

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China's Choice for Kublai Khan

by Susan Pierres

GUILIN, China — Ying Ruocheng, one of China's favorite actors, is a fine match for Marco Polo's description of the Mongol emperor Kublai Khan: "He is a man of good stature, neither short nor tall but of moderate height. His limbs are well flung out and modeled in due proportion. His complexion is fair and ruddy like a rose, the eyes black and handsome, the nose sharply and set squarely in place."

But it was more than typecasting when Ying was chosen for the role of the Great Khan in the international television spectacular "Marco Polo," the first film venture involving China, Italy, the United States and Japan. Halfway through the yearlong shooting schedule, the role had not yet been cast. Plenty of international stars had been angling for the part, but the Chinese deemed it appropriate that their great leader be played by a Chinese actor. The Italian producer, Vincenzo Labella, insisted that the actor speak English at least well enough to mouth his lines.

When Labella met with Chinese authorities to make the decision last summer, both had the same Chinese actor in mind: Ying Ruocheng. Labella had heard about him from playwright Arthur Miller, who met the actor while traveling through China to work on a book with his wife. At 52, Ying was the right age for the part and his English is impeccable. His father headed the foreign language department of the Catholic University of Beijing and Ying majored in English literature and learned to speak the language fluently at Peking's prestigious Qinghua University.

He approaches the character of the Great Khan with historical sensitivity. "Chinese audiences will be very shocked at the sympathetic portrayal of Kublai Khan in 'Marco Polo,'" he says, "because to most Chinese, 90 percent of whom consider themselves ethnically Han, the Khans are still barbarians, aggressors, who came to trample China under their iron hooves."

"Actually, Kublai was a great emperor, as emperors go. He was more sophisticated and enlightened than Genghis. He was also more civilized in that he allowed his people to settle down from their nomadic plundering ways and develop as a stable society, a nation."

"Kublai realized that the Chinese civilization was a higher one than his own, and he did everything within his power to bring his people into that civilization and take the best from it. He even studied the Chinese classics, which eventually led his appointees running his vast provinces to believe he was betraying them by becoming too Chinese."

Ying has other projects beckoning him now that "Marco Polo" has had its premiere on U.S. television before being screened internationally. He has translated Shakespeare into Chinese as well as parts of the Complete Webster Dictionary. "All the words concerning theater and the history of drama," he says. "Believe it or not, it took two years of my spare time to do that. He would like to translate into English 'some of the more worthwhile modern Chinese plays, which are very little known in the West. I think someone in my position should try to do not the sensational things, but rather lay the groundwork for a fuller understanding between our cultures.'"

As part of this ambition, Ying will be making three trips to the United States this year, to publicize his film, to lecture and perhaps to act. After graduation from Qinghua University, he joined the Peking People's Art Theater, where he spent the better part of the next three decades. In 1976, he went to the magazine China Reconstructs, but two years later was "rowed back by the troops for a revival of Laoche's 'Teahouse.'" There were other interruptions, namely the Cultural Revolution.

"From 1968 to 1971 I spent most of my time living in a cowshed. Every actor, every writer in China was accused of doing something. We were banned, secluded, made to write confessions, self-critiques. Our whole theater was sent to a commune in the country, and that was some experience. At least we were kept together. Luckily, we were not far from Peking on a farm called Cadres School. Anybody who was not a worker or peasant was automatically a functionary and therefore a cadre, so we were also called cadres."

"During this period there was absolutely nothing to do in the theater. Ostentatiously, we were all pounding rice. I'm very good at it. We also sat around making beautiful kites. I liked working with my hands and, in my spare time from caring for Confucius and Lin Biao, I built a beautiful house which you can see in my home. I'm very proud of it."

"The worst part of the Cultural Revolution was the mental anguish. I don't want to be high-sounding, but when one has worked for years as I had in the theater and then sees all that being trampled in the mud, it's very disappointing. We first thought it was just another passing movement, that it would soon pass away. But by the third or fourth year it began to be a drag."

"There were ups and downs in degree of emotion, and nobody knew what was going to happen next. Then in 1971 Lin Biao crashed in his plane in Outer Mongolia. That raised all sorts of hell. The army people who were sent to take care of us didn't know what to do. After all, he was their commander-in-chief. So we were then left alone and we enjoyed ourselves."

"I think if a man is wise enough, something beneficial always comes of any experience, however traumatic. Those years in the country-side in certain ways we enjoyed very much. There was a lot of camaraderie. It also helped the short-story writers and playwrights because before the Cultural Revolution they had no experience like this to write about. So writers blooming these last three or four years are quite good."

"The dangerous thing about the Gang of Four led by Jiang Qing was that most of them were young, which meant that if they succeeded, they would have had this around our necks for many years. Their arrest and trial was the only way to give us artistic freedom again."

In 1980, Ying left China for the first time to lecture in Britain, then spent six weeks touring the United States as an official interpreter, and eventually took the play "Teahouse" to West Germany, France and Switzerland.

As an intellectual with many foreign friends in Peking, and access therefore to a relatively rich circulating library, Ying had read a great deal before finally reaching the West. "Even the names of the streets were familiar to me. Still, I found everything slightly dizzying. Simple things like the pigeons in Trafalgar Square. I'd read about and seen pictures of them. But



Ying Ruocheng.

when you're actually there and they're on top of you the sensation is quite different.

"You read about big buildings, then you think 'Maybe we don't have 100 stories, but I've seen 60 stories, it shouldn't be too different.' But then it is different. In China big buildings are the exception. But when you're in Manhattan, in the middle of that, it's enormous and all around you. My feeling was 'Wow, man could do this!' I think everybody should be proud that man could do this. That man has such power in his hands."

"You see, I was brought up with a kind of intellectual disdain for these things, that the big city, huge buildings, are supposed to be ugly, capitalism at its worst. And in the last 20 or 30 years this was reiterated all the time, that the sunless streets where the capitalists behind their windows, I suppose, are plotting the ruin of mankind."

"But when I got there, my impressions were completely different. And I felt proud of man, that man could do this. This was not supposed to be elegant, but I felt there was beauty and strength and grandeur in it. I'm not supposed to feel that way. So this is a very unorthodox view as far as a Chinese is concerned."

The Art Market: Galleries Recover

by Souren Melikian

PARIS — For the first time in the last two decades, art galleries find themselves in a position where they could conceivably regain some of the ground they have been steadily losing to auction houses. The catalogs of their selling exhibitions of Impressionist and modern masterpieces are beginning to compare favorably with the catalogs of the "major sales" put together by the leading auction houses in this field.

Two such exhibitions are now on view in Paris, one at Daniel Malingue's gallery on the Avenue Matignon and the other at Schmitz's on the Faubourg Saint Honoré. Both include a small number of remarkable works and a larger number of good if less-impressive paintings. The most striking case in point is perhaps that of Malingue's gallery because the improvement in quality and interest over the exhibition he staged last year is spectacular.

Renoir is represented here by a landscape of 1882 — one of several views of L'Estaque. This is a museum piece, quite literally so. When last seen publicly — two years ago, in Denver — it was part of the art exhibition called "Corot to Braque: French Paintings From the Museum of Fine Arts, Boston." There are better Renoir landscapes but hardly any remaining in private hands.

On the other hand, Dali's work is illustrated by a piece that could not easily be superseded: the "Landscape with Enigmatic Elements," painted in Paris in 1934. Dali was apparently under the spell of Vermeer's famous self-portrait in which the Dutch master is seen sitting at his easel with his back turned to the viewer.

With typical Dali self-confidence, he has represented himself as a tiny figure in the same posture and garb as Vermeer's, facing a Saharan desert. Further away in the middle there stands a small child in sailor costume — depicting the same Dali, this time as a child, if we are to go by Robert Descharnes's description. At left some unexplained statue covered with a sheet shimmers in the sun against a background of four cypress trees. This picture, too, has an unusual story with a strong American link. It was acquired by Cyrus L. Sulzberger in 1934 at the international exhibition held in Pittsburgh at the Carnegie Institute and was still Sulzberger's when shown in New York at the Gallery of Modern Art in late 1965-early 1966.

Both are typical examples of works that had lately shown an increasing tendency to be negotiated via auction houses rather than through galleries.

Lower down in the financial scale there is what I consider to be the best landscape by Armand Guillaumin to appear in the market in the last five years. Probably executed around 1878 when Guillaumin was working in the Impressionist manner, it is in a vastly different mood, subdued and melancholy, and surprisingly anticipates the color scheme and atmosphere of Gauguin's Pont Aven period a decade later.

The dealer Schmitz, for his part, has done a little better than last year: The Juan Gris Cubist still life is unforgettable; a Renoir portrait of a woman seen sideways, head and shoulders, is a great Renoir, and a dozen other paintings of a high caliber are worth a trip for anyone seriously concerned with the art of the period.

In short, those two galleries alone there are at least as many interesting sales at plausible prices as there were at Christie's and Sotheby's spring sales taken together.

One might object that the final selling price at auction is determined only when the auctioneer's hammer falls. But this is not quite so in real life. With the current generalization of reserve prices set by vendors, the minimum price at which a work must be sold is indeed predetermined. Last March at the Marcus Mizzi sale held at Sotheby's, more than two thirds of the paintings in value went back to the owner because they failed to match his financial ambitions. In this case the minimum prices

were clearly not considered plausible in a majority of cases by those who sat in the room. This means that the dividing line between the selling technique of a gallery and an auction room is becoming blurred.

With Malingue's selling technique, the line virtually evaporates. Malingue gives increasing importance to works of art consigned to him for sale precisely as they might be to an auction room. An excerpt of his terms of sale printed in the catalog reads (in his own English version): "The seller will benefit from the following advantages: Full payment immediately following the sales. The gallery's commission will be approximately 10 percent. A complete insurance by the gallery at the agreed selling price. All costs for transport, customs formalities and cleaning — if needed and with the seller's agreement — free of charge."

That leaves only one significant difference between selling by auction and through a gallery. The auction theoretically ensures competition. It leaves open the possibility — never the certainty — of a price considerably higher than the "reasonable" price. This happens once in a while. It is most likely to apply to top works that are enviable enough to get museums and a handful of millionaire collectors racing for it.

Otherwise, the chances are that bidding will go just so far and no more. The major change characterizing the market of the 1980s as opposed to that of the 1960s is that, by and large, "private" vendors and buyers have become as good as professionals when it comes to assessing the value of the picture. They follow sales, read market reports, study exhibition catalogs, know which work is important and which is not. Says Malingue: "Nowadays, in this business, we often miss a deal by a 10-percent margin. Vendors know exactly how much they want. If they feel the offer they get is a bit weak, they are turned off." The same applies to buyers. To quote Malingue again: "In my exhibition, I have this fine watercolor view of a race by Raoul Dufy. At 350,000 francs I would have sold it exactly five times since the opening. The trouble is its going value is around 400,000 francs."

The marketwide "amateur" is making things difficult for the trade: added to the dearth of works for sale, the picture business has become very tough. Malingue points out that there are fewer dealers in the running than two decades ago when he started. The statement is even more valid if "bedroom dealers" — unregistered and unlicensed — are taken into account. In his estimate, the severe 1974 slump wiped out three quarters of the brokers, official and unofficial, who went about peddling works to dealers.

In Paris, two galleries can be said to be seriously specializing in Impressionist and modern masters — Malingue and Schmitz. A third one, the Hugues Bérès gallery, deals simultaneously in this field and in Japanese prints of the highest order. Another gallery, Hervé Omerdort, occasionally has 19th-century works but the emphasis is on modern and above all on contemporary masters. And that is about it.

This elimination process has brought the dealers' technique still closer to the auction-house system. By being fewer in number and very much more in the limelight, they come under closer scrutiny. In the present circumstances — a recession that can no longer be questioned — they enjoy two advantages in their competition with auction rooms. First, the buyer is not forced to make his decision at gunpoint, or rather at hammerstroke, as he is at auction. He can come, have a look, see, leave and come back.

The second advantage is that the auction room's primary concern is the seller's interest — the higher the price, the better for him but the worse for the buyer. The dealer tries hard not to antagonize his customer — he does not want to lose him. If truly clever, he is a more-impartial arbiter.

Together with the difficulties encountered by auction houses, this state of affairs means that galleries are no longer on the losing side. A new balance of strength is about to be established in the market.

Around Galleries in London

by Max Wykes-Joyce

LONDON — Sixteen new art shows are scheduled for London this week alone. The critic's lot becomes increasingly one of stamina. From current shows I have selected six that repay close attention.

Edward Wadsworth (1889-1949) was a Yorkshireman, an original participant in the Vorticism movement, who had studied engineering in Germany and who was enabled by inheriting a considerable fortune in 1921 to devote all his energies to painting. Fainting, moreover, in the difficult Old Master medium of tempera. Wadsworth's Paintings from the 1920s (Mayor Gallery, 22a Cork Street, W.1 to May 28) consists of only 10 works — 2 townscapes, 4 French Mediterranean ports, 4 marine still lifes — which are nevertheless sufficient to show a major European talent at work.

Rodrigo Moynihan is another British artist who has pursued his own course untroubled by the prevailing fashion. In the early 1930s, just out of art school, he painted a series of objective abstractions, was broadly figurative expressionist in the late 1930s and, after war service, was elected Professor of Painting at the

Royal College of Art in 1948 and a full Royal Academician in 1954. From that period emerged some massive group portraits.

However, in 1957 he resigned both his professorial chair and his membership in the academy, went to France and embarked on a sequence of uncompromising abstract color studies. These were augmented in the late 1960s (he lived and worked in New York from 1968 to 1971) by hard-edge abstracts based on landscapes. In the 1970s he began the move back to minimal realism — a studio still life, simple portraits, a corner shelf starkly portrayed on a tondo-shaped canvas. Recent Paintings of Rodrigo Moynihan (Fischer Fine Art, 30 King Street, St. James's, S.W.1 to May 28) show a continuation of this latest trend — simple themes, economically, even austere, represented, but with the great authority that comes from a half-century's devotion to one's métier.

For the fourth year in succession, the South African artist Cyril Fraden, a splendid colorist and draftsman with an ingenious imagination, is holding a studio show of Paintings, Sculpture and Tapestry (23 Lower Addison Gardens, W.14 to May 30, except Monday) in which, as part of the Kensington & Chelsea Arts Festival, there is also a music recital at 7:45 each evening. The studio is open from 6 p.m. to 10 p.m., and at other times by appointment.

Three splendidly arranged group shows highlight various aspects of European art in the last 175 years. At Colnaghi's, 14 Old Bond Street, W.1 to June 11, Arnold-Livie, a Munich gallery, is mounting a Collection of French Drawings, which range from "Two Vanochs: Port of Naples" (c. 1750) by C.J. Veret (interesting to compare the composition with the Wadsworth anchors of the 1920s) to the original watercolor for the book illustration "Pompeii: La Danté au Cochin" (1887) by Félicien Rops.

In Visions Rich and Strange 1890-1920 (Louise Whitford Gallery, 25a Lowndes Street, Belgrave, S.W.1 to June 4) the gallery and David Hughes have once again collaborated to compile a show of 39 symbolist, fin-de-siècle and Secession works, from a chalk portrait by Rossetti to a Cézannesque invocation of the dance by the young André Lhôte.

The Irish Revival (Pyys Gallery, 13 Motcomby Street, Belgrave, S.W.1 to June 11) as its title implies, shows Irish paintings from 1880 to 1950. It is too often forgotten how many "English" painters of the period were Irish-born — Sir John Lavery, Sir William Orpen, Louis Le Brocqy — to name three represented here. There are also fine things by, among others, the much-less-known James H. Craig, Charles Sheehan and Letitia Hamilton.

Around Galleries in Brussels

by Rona Dobson

BRUSSELS — Figures crowded into tree bark boxes, their bodies made of leaves wrapped around forest twigs, tail feathers as arms or wings, bone-white faces modeled in bread dough or clay looming out eerily from earth-brown backgrounds — all these make dramatic little tableaux from a world of woody underbrush.

Jeppan de Villiers, poet and artist, (at the Alexandra Monnet Gallery, 154 Chaussée de Charleroi, to May 31) creates his tiny figures out of a sylvan conglomeration of dead leaves, broken branches, fallen twigs, loose feathers and bread dough. Each scene has a sharp-cut quality of highlighted nightmarish, the gaping black mouths and startled round eyes emanating anguish in miniature.

The gallery has been transformed for this show into a strange world of isolation, with dark walls.

"Santa Fe is special in terms of lifestyle, attitude, in terms of what matters," Applegate says, standing in her small, well-stocked bookstore. "Most of us care about Santa Fe, and we want to share it with people who come. But we don't want it to be Disneyland. People with any kind of life hate to see it misrepresented, hate to see it become the chic place for reasons that aren't valid, that are just superficial."

"The town is becoming more stratified than it ever been. There are a group of people who want to be the elite, the nouveau riche types... Santa Feans have always been involved in civic and volunteer organizations, but most of the new people are not getting involved in that way. They're not contributing except with their bucks. And I want more than their bucks."

There is a serious side to the way America discovers and discards places and fashions, the way tourists and traders and journalists and art buyers skim the surface of a culture, repress it and get rich off it. At Lord & Taylor, for example, certain elemental parts of Santa Fe will be purposely ignored. "We don't get involved in religion or in tribal customs," says Peggy Kaufman. "Maybe we do miss part of the community, but it's hard to tell a New York audience what a Kachina doll was really used for."

And so the hawking of Santa Fe — whatever it has come to represent — continues, if perhaps a bit self-consciously. In one of the exclusive galleries on the plaza, an attractive woman in designer jeans lovingly rubs her hands across an expensive silver belt and looks at her husband standing nearby. "I'm not buying it because it's chic," she insists. "I'm buying it because it's Southwest."

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Santa Fe Is Hot — and Bothered

by Dan Balz

SANTA FE, N.M. — Out East, Santa Fe is hot. You can't turn around without running into magazine articles raving about Santa Fe or ads displaying fashions of the Southwest or some friend telling you that Santa Fe — not Key West or Aspen or Ketchikan, Idaho — is the place to be. Out here in the land of oceanic sunsets, Indian antiquities, Hispanic missions and adobe architecture, the residents are both tired of all this publicity and a little amused by it.

One recent evening, the Santa Fe arts establishment gathered in the basement of a local hotel for an auction to benefit the annual arts festival. There are no tourists here, for this is part of Tribal Santa Fe. Various non-artists have donated works of so-called art and everyone is throwing money at them.

But at one point, the bidding for an odd-looking white assemblage begins to drag, and the auctioneer, a master at hyping not only the art but also the crowd, can't resist tweaking the locals: "In New York City, God knows what this would be worth — and I think you know what I mean," he says to an eruption of laughter.

Back East, the merchants have discovered Santa Fe with a vengeance and are relentlessly promoting their own visions of it. Ralph Lauren came here on vacation and returned to New York with his southwestern style. Much of the commerce industry is enamored of the eastern tones of the town.

During April, Lord & Taylor turns over its Fifth Avenue store in New York to an extravaganza of the Santa Fe Look in fashion, furnishings, food, art and crafts. The promotion includes the Santa Fe Fe developed by Elizabeth Arden. "It's a very natural look," says Peggy Kaufman, the store's vice president for public relations. "It was easy to do the Native American and cowboy look, but the Santa Fe look is much more difficult." That's because there are Hispanics, Indians and Anglos in Santa Fe, and to a makeup artist, those are not exactly similar palettes.

Some local residents think all this chic is ruining the town.

"People came here before because of attitudes and lifestyle," says Nancy Applegate, who owns a bookstore in Santa Fe. "It was word-of-mouth. Now they're coming for status and appearances. It's the whole beautiful-people crowd."

You don't have to look very far in Santa Fe now to find the Beautiful People, the Mercedes in the gallery parking lots, the wealthy tourists zipping through shops looking for a piece of the culture to take home with them. It seems that everyone wants a piece of Santa Fe. Everyone from the tourists to the newcomers, who impose their own folkways on Santa Fe's, to the media, which periodically storm the city.

The Santa Feans are restless.

Bill Banta, a cheerful man who left his job with an engineering firm in Texas to open an art supply store in Santa Fe some years ago, surveys the crowd at the auction in the hotel basement and turns to a visitor. "You're looking at the real Santa Fe," he says. "Rather than what Esquire or the National Geographic writes."

Banta has just spent \$2,300 — which he says is 10 percent of his annual salary — for a bound volume of the local newspaper from 1918. "I've got nothing better to spend it on," he explains with a shrug. Someone else has paid \$140 for a pen-and-ink drawing by the noted local artist John Ehrlichman. Others have bid on such things as a painting submitted by a local gallery owner under the alias of Georgia O'Grady, or the Raggedy Ann knock-off with cowboy boots, faded blue-jean vest and skirt, cowboy hat and what is described as "almost authentic jewelry." The arts are very

big business out here, and while there is much joking about the submissions and the bidding, everyone here is taking the fund-raiser seriously.

"National Geographic was so shallow," Banta says. "Santa Fe goes much deeper." National Geographic, which featured the city in its March issue, is on a lot of minds in Santa Fe. It is the latest in a yearlong string of articles describing the city in glowing prose, but in image-conscious Santa Fe the reaction was largely negative.

Betty Bauer, an editor and publisher of The Santa Fe New Mexican and a past president of the Chamber of Commerce, says, "Everyone in town was upset by the National Geographic. We felt it said nothing about the history of Santa Fe, little about our traditions, our events. We were all really dumbfounded."

As is its custom, National Geographic sent advance proofs of the article to city officials last fall, asking them to check them for accuracy. Instead, they denounced the article. The mayor at the time took offense at the choice of pictures and pushed a resolution through the city council urging the magazine to get rid of them. The resolution specifically complained about a street scene of people eating French pastries, which the council said could have been taken "Anywhere, U.S.A., Mexico or years or less. Several of them complained to the hostess about my lack of courtesy for dressing the way I was."

She shakes her head. "Santa Fe has never been that way."

Applegate's lament is not uncommon in Santa Fe these days, for there is a feeling among some residents that all the attention the city has gotten is attracting people for the wrong reasons.

There is no denying the attraction of Santa Fe, beginning with its natural setting at an elevation of nearly 7,000 feet. The thin air is addictively fresh and the skies are almost always clear, intoxicatingly blue. The land and sky are an ever-changing context of color and beauty. The climate is nearly perfect most of the year, and on many summer nights the air is cool enough to require a blanket for sleeping. There are even changes of season through the year.

Adobe architecture, with its soft edges and earth tones, creates a timeless visual atmosphere in the city. Although true adobe is no longer practical, most new buildings — museums, hotels, the Federal Building and many homes — are done in the adobe style.

In summer, thousands of tourists are drawn by the arts that flourish here. The Santa Fe Opera is nationally recognized and performs in a striking open-air theater a few miles north of the city. In addition, Santa Fe is known for its chamber music group, its film festivals and theater. There are also more than 100 private art galleries, making Santa Fe a major art center in the United States.

But it is more than the climate and the arts that make Santa Fe so appealing. It is the rich heritage of the Indian and Spanish populations the annual fiesta in September is more than 250 years old — and the live-and-let-live attitude of people here that over the years has drawn celebrities seeking anonymity, children of the counterculture seeking solitude and modern-day dropouts looking for a peaceful place to land. Three cultures — Spanish, Indian and Anglo — coexist in this city of 50,000 situated in the northern New Mexican mountains.

"Santa Fe is special in terms of lifestyle, attitude, in terms of what matters," Applegate says, standing in her small, well-stocked bookstore. "Most of us care about Santa Fe, and we want to share it with people who come. But we don't want it to be Disneyland. People with any kind of life hate to see it misrepresented, hate to see it become the chic place for reasons that aren't valid, that are just superficial."

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NYSE Nationwide Trading Closing Prices May 21

Tables include the nationwide prices up to the closing on Wall Street.

Market Summary

May 21, 1982

Dow Jones Averages

Index	Value
Dow Jones Industrial Average	2,454.14
Dow Jones Transportation Average	1,184.14
Dow Jones Utility Average	1,184.14

Market Diaries

NYSE	AMEX
NYSE	AMEX
NYSE	AMEX

NYSE Most Actives

Symbol	Price
NYSE	AMEX
NYSE	AMEX

NYSE Index

Index	Value
NYSE	AMEX
NYSE	AMEX

Standard & Poors Index

Index	Value
Standard & Poors	
Standard & Poors	

AMEX Most Actives

Symbol	Price
AMEX	
AMEX	

AMEX Stock Index

Index	Value
AMEX	
AMEX	

Odd-Lot Trading in N.Y.

Symbol	Price
NYSE	AMEX
NYSE	AMEX

Dow Jones Bond Averages

Index	Value
Dow Jones Bond	
Dow Jones Bond	

(Continued on Page 10)

Sales figures are unofficial.
©-New Year's Eve, U-New Year's Eve.
Unless otherwise noted, rates of dividends in the foregoing table are annual dividends based on the last quarterly or semi-annual dividend. Special or extra dividends or dividends not disclosed on regular are identified in the following footnotes.
a-Also extra or a/c. b-Annual rate plus stock dividend.
c-Liquidating dividend. d-Declared or paid in preceding 12 months. e-Declared or paid after stock dividend or split. f-Paid this year dividend omitted, deferred or no action taken at last dividend meeting. g-Declared or paid this year, an accumulative issue with dividends in arrears. h-New issue. i-Declared or paid in preceding 12 months plus stock dividend. j-Paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
k-Ex-dividend or ex-rights. l-Ex-dividend and sales in full. m-Sales in full.
n-Called, w-without distributed, w-without issued, w-without warrants, w-without warrants, w-without warrants.
v-In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or secured by assets of such corporation.
Yearly highs and lows reflect the previous 52 weeks plus the current week but not the latest trading day.
Where a split or stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only.

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SATURDAY-SUNDAY, MAY 22-23, 1982

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BUSINESS BRIEFS

Cockerill in Co-Production Talks

BRUSSELS — Cockerill-Sambre is holding talks with Estel Hoesch-Hoogovens and Klockner-Werke on production arrangements designed to insure its future, senior officials of the steel company said Friday. A European Economic Community official confirmed that the talks were taking place, and said the EEC Commission "considers that some such external deal is the only way out of Cockerill's difficulties." Proposals will be submitted to the commission by Cockerill by May 31. The talks, already completed in some areas, involve arrangements for exchange of steel products between the companies with a view to streamlining output, the Cockerill officials said. They said provision by Hoesch of crude steel for rolling and galvanization at Cockerill's Liege plants could be one result.

Matsushita to Market Voice Chip

TOKYO — Matsushita Electric and its semiconductor subsidiary, Matsushita Electronics, will start marketing a one-chip speech recognition large-scale integration, the MN-1263, starting next month, Matsushita said Friday. Priced at 10,000 yen (about \$42), the unit's potential applications include voice command for consumer electronic products, for working equipment in dark places and as an aid for the physically handicapped, the company said.

Bond Discusses Sale of Major Asset

PERTH, Australia — The diversified Australian mining and energy group Bond Corp. Holdings is discussing the sale of a significant asset to a major corporation, the company said Friday. Stockmarket sources in Sydney and Perth said there is a strong possibility that Bond will sell its 14.8-percent stake in Santos, the principal partner in the 1-billion-Australian-dollar (\$948-million) Cooper Basin petroleum liquids project, which is due to start operating next year. Bond gave no details, however, in its statement to the Perth Stock Exchange. The company recently lost 7 million Australian dollars on the purchase and sale of a 13.3-percent stake in Simplicity Patterns.

Peugeot Won't Pay 1981 Dividend

PARIS — Peugeot will not pay a dividend for 1981, the automaker said Friday. Its 1980 dividend was 8 francs (now about \$1.30). The company said it expects its consolidated net loss to rise to more than 2 billion francs in 1981, from a 1.5-billion-franc net loss in 1980. Peugeot said it paid last year's parent company profit of 164 million francs into reserves, in a continuing effort to improve its financial situation.

GM Sees 1982 Sales Improvement

DETROIT — General Motors sees a significant improvement in car and truck sales before the end of this year, primarily because of the income tax cut scheduled for this summer, and the company plans no further across-the-board layoffs of white collar workers, GM Chairman Roger C. Smith said Friday at the annual meeting. In the 1982 first quarter, GM had U.S. factory sales of 906,000 units, compared with 1.16 million a year earlier. For 1981, factory sales were 3.894 million compared to 4.07 million in 1980. Mr. Smith noted that salaried employment had been reduced by 27,000 over the last three years and said GM's toughest cost-cutting steps are now over. Meanwhile, industry figures released Thursday show that car production will not hit the 2-million mark until next week — nearly a month later than last year — and even though 1,000 Ford and Chrysler workers are going back to work next week, at least 250,000 remain on temporary or indefinite layoffs.

Compiled From Agency Dispatches

Treasury Aide Assails Money-Supply Growth

WASHINGTON — A high-level U.S. Treasury official sharply criticized recent growth in the money supply Friday, just two days after Federal Reserve Chairman Paul A. Volcker defended the higher-than-expected growth as the result of technical factors. Norman Ture, undersecretary of the Treasury for tax and economic affairs, told the congressional Joint Economic Committee that the recent increase in the money supply threatens a resurgence of inflation that could jeopardize prospects for U.S. economic recovery. He said rises in the M-1 money supply, currency in circulation and checking accounts — have been erratic since September and have amounted to an average annual rate of about 8.5 percent. Mr. Ture said the growth of the monetary base has been even greater during the same period. He said the figures suggest that the United States "is likely to see continued growth in the money stock... at an untowardly high rate for several months to come. I think that could be a serious problem, or possible resurgence of inflationary pressures."

Mr. Volcker said in Chicago late Wednesday, however, that he believes money growth is now reasonably on track, suggesting that the Fed may not need to hold credit as tight as some analysts had feared. M-1 has been above the Fed's target since last year. Some market participants have thought the Fed would have to keep credit very tight to bring M-1 quickly back within its target growth range. But Mr. Volcker said that the rapid growth in M-1 this year was probably due at least partly to technical factors, and that the Fed therefore does not believe that M-1 is now "out of line with our purposes." Other money measures are within their target ranges, strengthening the judgment that M-1 is inflated for technical reasons, he said.

The increase in M-1 this year has largely been due to a buildup in interest-bearing checking accounts. This may have come more from a decision to increase savings for precautionary reasons than to an increase in the money that people planned to spend, Mr. Volcker said. Thus, analysts said, the original M-1 targets have been somewhat tighter than intended, and overshooting the M-1 target is therefore not necessarily out of line with the Fed's intentions when it set the targets.

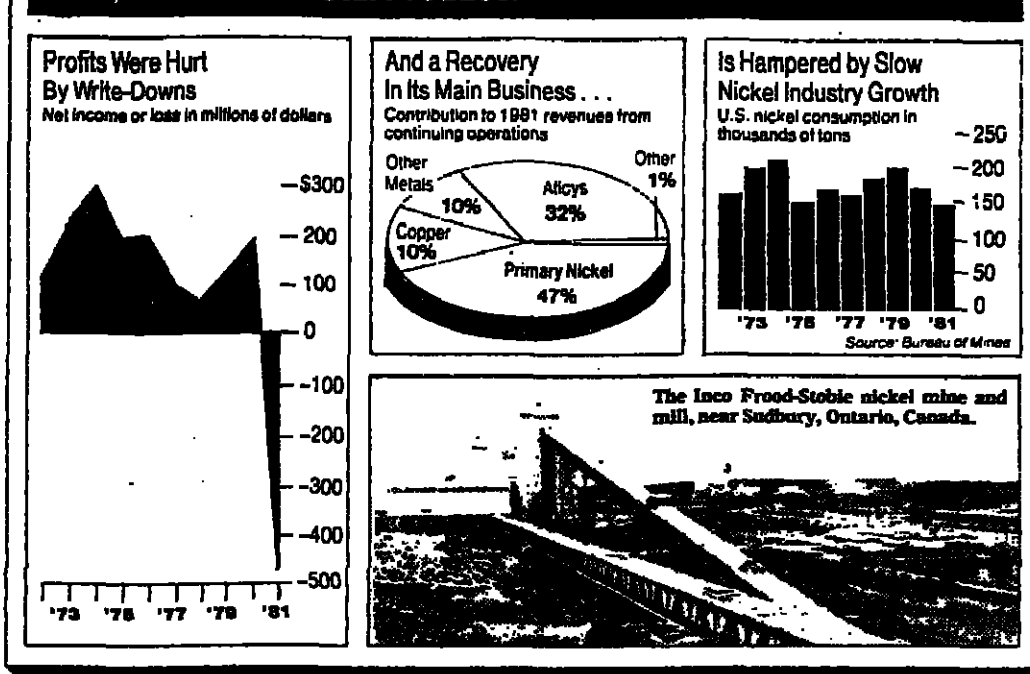
"Obviously, we want to have enough financial growth to support recovery," Mr. Volcker said. However, he cautioned that "to attempt to push interest rates down by excessive money creation at the expense of inflationary fears would, it seems to me, be short-sighted." Some economists believe that the Fed's tight money policy is largely responsible for persistent high interest rates. Mr. Volcker said present monetary targets should allow "enough money to support economic recovery, consistent with continued progress against inflation," and he called again for action to reduce the U.S. budget deficit, which he said would help lower interest rates. But Mr. Ture, citing "the historical record," said he does not believe there is any correlation between a high federal budget deficit and rises in interest rates. Mr. Volcker said money policy should be set and reviewed in the light of "the general economic environment — including conditions in the money, capital and foreign exchange markets, the federal budgetary posture and other factors."

7 Firms Consider Engine Project

EAST HARTFORD, Conn. — Companies from the United States, Britain, Japan, West Germany and Italy will begin formal discussions next month on a consortium to design and build a new jet engine for the proposed 150-seat commercial aircraft market. A spokesman for United Technologies Pratt & Whitney engine subsidiary said Thursday that the engine would be suited for the Airbus Industrie A-320, or a new Boeing 747, now being considered, among other medium-range aircraft.

The planes, expected to enter the market late in the decade, would provide an alternative in size, midway between larger and smaller commercial airliners. Both Delta Airlines and Air France have expressed interest in such aircraft — considered the passenger planes of the future — but the development of a new fuel-efficient engine is a key factor. The engine development program would be too great a risk for one company to undertake on its own, the Pratt & Whitney spokesman said, with the engineering and development costs put at more than \$1 billion. Therefore, he said, United Technologies is considering joining a possible venture with Rolls Royce of Britain, Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Ishikawajima Harima Heavy Industries, all of Japan, Fiat Aviazione of Italy and Motoren-und Turbinen-Union of West Germany. United Technologies said the companies, some of which already have held preliminary discussions, hope to have the configuration and performance standards for the engine set by mid-summer. The group would have an engine

Inco, a Troubled Metal Producer



Nickel Miner Inco Stresses Basics In Efforts to Crawl Out of Slump

By Andrew H. Malcolm
New York Times Service

TORONTO — Inco, long the dominant force in world nickel markets and a huge copper supplier, has struck a vein rich in trouble and slumping demand have called for an austere strategy at the company's elegant headquarters high above Toronto. Canada's capital-intensive mine operators have all been hurt by the recession, and nowhere is the harm more apparent than at Inco.

The company, which once controlled more than 85 percent of the non-Communist world's supply of nickel, the gray powder that adds strength and temperature tolerance to metals, has seen changing markets and stiff competition from developing countries chop its market share to 32 percent.

An attempt at diversification into the U.S. battery market led to a bitter takeover battle with United Technologies, a long antitrust suit, and the company now admits, a failure.

Demand for nickel is down sharply with no prospect of improving before year-end, if then. The outlook for copper, of which Inco is Canada's largest producer, is equally grim: Prices are at levels not seen since the Depression.

Overseas mining ventures, initiated just before rising energy costs made them unprofitable, have been cut back or suspended. The company's debt has grown to \$1.35 billion, requiring annual interest pay-

ments of nearly \$150 million. And Inco's contract with a militant United Steelworkers local at its main plant in Sudbury, Ontario, ends this month.

"Inco is one of the recession's most visible casualties," said Chris Bryan, a mining analyst with Levesque Beaudin Inc. in Montreal.

This year Inco expects to produce about 270 million pounds of nickel, down from last year's 330 million pounds, which went to customers in the United States (45 percent), Europe (35 percent), Japan (10 percent) and Canada and elsewhere (10 percent). The company reported a loss for 1981, the first in 50 years, of \$469.5 million, on revenue of \$1.89 billion, compared with earnings of \$219.4 million, or \$2.56 a share, on revenue of \$2.15 billion in 1980.

The loss resulted primarily from write-downs of \$464.6 million on its closed Guatemala nickel operations and anticipated losses in the forthcoming sale of its U.S. battery business, Inco Electroenergy. For its first quarter, Inco reported a loss of \$37.2 million.

Shedding 'Bad Stuff'

Charles F. Baird, Inco's chairman and chief executive officer, has prescribed a rigorous program of fiscal fitness, including layoffs among its 31,000 employees, sales of several company units, cost cutting, reduced dividends and painful write-offs. The plans impressed investors so much that they quickly bought up a new equity issue of 6.9 million Inco common (Continued on Page 11, Col. 5)

Consumer Prices Rise 0.2% in U.S.

Orders for Durable Goods Fall 3.9% In Further Indication of Recession

WASHINGTON — U.S. consumer prices, rebounding from their sharpest drop in 29 years, rose in April, but at a modest rate of 0.2 percent, the Labor Department reported Friday.

Even with the increase in the Labor Department's monthly Consumer Price Index, however, inflation so far this year was still running at a low level of 1.5 percent, calculated annually.

Later the Commerce Department reported that new orders received by manufacturers of durable goods fell 3.9 percent, or 3.9 percent, in April. The department also revised the rise in March orders to 0.6 percent from an initially reported 1.9 percent.

Total shipments fell 0.07 percent last month and the backlog of unfilled orders declined 0.8 percent.

And the Labor Department reported that the average weekly earnings of production workers fell a seasonally adjusted 0.2 percent in April. The decline, which followed a 0.2-percent rise in March, left real earnings 2 percent below their April, 1981, level.

The dramatic improvement in inflation in recent months has come partly as a result of the recession, which has forced firms to hold down their prices. This has contributed to a tremendous profit squeeze.

Jerry Jasinski, economist for the National Association of Manufacturers, said Thursday that "since unit labor costs in manufacturing are still rising at a 6 percent annual rate, the slowdown in price increases means that lower inflation has been achieved primarily at the expense of shrinking profits."

The easing of the consumer price index, which averaged 8.9 percent last year and 12.4 percent in 1980, has bolstered many economists' predictions that, for all of 1982, inflation as measured by the CPI should be in the range of 5 percent to 6 percent. For the 12 months ending with April, the department said, inflation rose 6.6 percent.

In testimony before the congressional Joint Economic Committee, Janet Norwood, director of the Labor Department's Bureau of Labor Statistics, said the "price situation has shown marked improvement during the past year, especially during the past seven months."

While saying that most of the reduction in the index during the past year resulted from a slowdown in food and energy costs, she also noted that the "broadly based" improvement in inflation is due, in part, to "price reductions resulting from the decline in overall economic activity."

At the White House, deputy presidential press secretary Larry Speakes said of the report: "The news continues to be good. The trend toward lower inflation is continuing."

But in advance of the report, Edward Yardeni, chief economist for the brokerage firm E.F. Hutton & Co. in New York, said he suspects "the best of the inflation numbers are behind us for the year."

If consumer prices rose for 12 straight months at April's 0.2 percent, the yearly jump would be 3 percent. But the annual rate reported by the Labor Department is based on a more precise calculation of monthly changes than the figure made public.

In all, the unadjusted Consumer Price Index, base 1967, stood at 284.3 in April.

In March, the consumer price index had fallen 0.3 percent — the decline was the first since April, 1965, and the sharpest drop since 1953. But such dramatic deflation was not to last despite the steepest drop in overall energy costs since the department began recording such monthly price trends in 1952.

The turnaround in food prices for the month, to an increase of 0.3 percent, combined with increasing home prices and mortgage interest rates to more than wipe out the energy benefit.

Analysts warned, however, that since oil prices have now begun to stabilize, this anti-inflation bonus is unlikely to continue.



Sir Geoffrey Howe

British Rate Of Inflation Under 10%

From Agency Dispatches

LONDON — Retail prices in Britain rose 2 percent in April but the year-on-year rise slipped below 10 percent for the first time since Prime Minister Margaret Thatcher took office three years ago, the Employment Department reported Friday.

The retail price index had risen 0.9 percent in March, when the year-on-year rise was 10.4 percent. In April, the year-on-year increase dropped to 9.4 percent.

The chancellor of the exchequer, Sir Geoffrey Howe, predicted Friday that by the end of 1982 retail prices will be rising less than the nine percent that he forecast in his March budget.

Government officials said that annual inflation is at its lowest level since January, 1979, and back in single figures for the first time since March, 1979.

When Mrs. Thatcher was elected in May, 1979, the annual rate was 10.3 percent. Due to high pay settlements, doubled sales tax and higher utility and energy prices, inflation peaked in the spring of 1980 at 21.9 percent, before steadily falling.

April's 2-percent rise was due in large part to increased local authority taxes, public sector housing rents and water charges, the Employment Department said.

Single-figure inflation has been Mrs. Thatcher's major economic target despite record unemployment and deep recession.

After April's retail price figures were released, however, government economists said that there is no evident prospect of a further rapid fall.

Hopes for a further significant drop depend on lower interest rates, especially housing mortgage rates, which feature in the retail price index. But one economist said "I cannot see any movement on that front while the Falkland Islands crisis remains unresolved" with Argentina.

The government's aim is to get inflation down to around five percent, but most economic forecasters predict it will remain around eight to 10 percent through to 1984.

OPEC Agrees to Continue Ceilings on Output

Reuters

QUITO, Ecuador — OPEC oil ministers agreed Friday to continue the group's oil production ceiling at its present level until further notice, OPEC Secretary-General Marc Saturnin Nan Nguema of Gabon said after a closed ministerial meeting. He said the group's \$34-a-barrel benchmark price would also remain unchanged.

OPEC set an output ceiling of 18 million barrels a day in March. This was later effectively reduced to 17.5 million after Saudi Arabia cut its own ceiling to 7 million barrels a day from 7.5 million.

The decision was not unexpected. It was forecast earlier Friday by OPEC President Eduardo Ortega of Venezuela, who said the ceiling would be extended as protection for the benchmark price.

Saudi Arabia's oil minister, Sheikh Ahmed Zaki Yamani, had ruled out any cut in the benchmark price at this meeting, and Thursday night he repeated predictions that the level would hold through next year.

Conference sources said meanwhile that OPEC's four-minister monitoring committee was likely to meet in the first week of July to review the production accord, and to decide whether to hold a full ministerial meeting to change the ceiling.

Under the agreement reached in Vienna in March, Saudi Arabia said it was willing to cut its output as far as necessary to maintain the \$34 benchmark price, provided other members held to assigned quotas.

Only Iran appears to be exceeding its limit — 12 million barrels a day — and selling crude below official OPEC prices, but ministers said privately that the Saudi-led OPEC majority appeared ready to ignore Iran's conduct.

Delegates had said earlier that, with OPEC output running at least 1 million barrels a day below the ceiling, talk of raising or removing the limit was academic.

The cartel is counting on a revival in demand later this year to boost its output from what it estimates is now 16.5 million barrels a day, sharply down from the 31-million-barrel peak of 1979.

Delegates also said that discussion of the ceiling had to take account of the possibility that the 20-month-old Gulf war would end soon and that Iran and Iraq would flood the market to help rebuild their economies.

One delegate said privately that Iran seemed to have decided to adopt what he called obstruction tactics. He and other delegates said much of Thursday's session was taken up with Iranian objections to continued OPEC financial aid to an energy studies institute based in Britain. The institute at Oxford University is assisted by OPEC and the Organization of Arab Petroleum Exporting Countries.

Wall Street Reverses Price Slide

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange closed higher Friday, reversing a string of seven consecutive declines.

The Dow Jones industrial average closed ahead 34.2 points at 835.90, after having been up slightly all day. Advances narrowly outpaced declines as volume narrowed to 45 million shares from 48.33 million Thursday.

Trading was featureless, and analysts said the market's improvement during the day reflected a technical correction from its recent declines.

Analysts said much of the early buying, when the market was ahead nearly 4 points, represented bargain hunting following the market's seven-session slide in which the Dow average dropped 36.72 points, the longest losing streak in nearly a year.

Hildebrand Zagorski of Bache Group said the gain in prices was to be expected, coming after the declines. "But, the problem is holding on to the gains," he said. Analysts noted that the escalation of the Falkland Islands dispute also was a factor inhibiting the market, although news that British forces had landed on the islands prompted little reaction since such an action had been expected.

The 0.2-percent rise in U.S. April consumer prices was in line with expectations and also had little immediate impact on the markets, they said.

But the analysts added that uncertainty about the economy and interest rates continued to limit the market's ability to rally.

They noted the Federal Reserve's recent actions in the money market led to speculation that it may have eased its monetary policy slightly, although the analysts said the problems of Drysdale Government Securities under the Fed's actions particularly difficult to interpret this week.

A spokesman for the Federal Reserve said Friday the federal reserve system loaned \$379 million in securities to government securities dealers on Wednesday to cover the market disruption caused by Drysdale's failure to pay interest it owed on securities.

The credit markets extended Thursday's gains as federal funds rates banks charge one another for overnight loans dropped sharply.

The federal funds rate opened Friday at 13.75 percent and slipped quickly to 13.25 percent, compared with Thursday's 14.22 percent. Dealers said there was two-way business, with the higher price levels attracting profit-takers and limited retail buying interest seen.

U.S. Trust cut its broker loan rate to 14 percent from 15 percent. Rates at other major banks range from 15 percent to 16 percent.

CURRENCY RATES

Interbank exchange rates for May 21, 1982, excluding bank charges.

Currency	Per U.S. \$	Currency	Per U.S. \$
American Express	2.5885	Swiss	0.8484
Bank of America	2.5885	Swiss	0.8484
Bank of Montreal	2.5885	Swiss	0.8484
Bank of New York	2.5885	Swiss	0.8484
Bank of Paris	2.5885	Swiss	0.8484
Bank of Rome	2.5885	Swiss	0.8484
Bank of Tokyo	2.5885	Swiss	0.8484
Bank of London	2.5885	Swiss	0.8484
Bank of Spain	2.5885	Swiss	0.8484
Bank of Portugal	2.5885	Swiss	0.8484
Bank of Greece	2.5885	Swiss	0.8484
Bank of Italy	2.5885	Swiss	0.8484
Bank of France	2.5885	Swiss	0.8484
Bank of Germany	2.5885	Swiss	0.8484
Bank of Japan	2.5885	Swiss	0.8484
Bank of Korea	2.5885	Swiss	0.8484
Bank of Taiwan	2.5885	Swiss	0.8484
Bank of Hong Kong	2.5885	Swiss	0.8484
Bank of Singapore	2.5885	Swiss	0.8484
Bank of Malaysia	2.5885	Swiss	0.8484
Bank of Thailand	2.5885	Swiss	0.8484
Bank of Philippines	2.5885	Swiss	0.8484
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Bank of Brunei	2.5885	Swiss	0.8484
Bank of Cambodia	2.5885	Swiss	0.8484
Bank of Laos	2.5885	Swiss	0.8484
Bank of Vietnam	2.5885	Swiss	0.8484
Bank of North Vietnam	2.5885	Swiss	0.8484
Bank of South Vietnam	2.5885	Swiss	0.8484
Bank of East Germany	2.5885	Swiss	0.8484
Bank of West Germany	2.5885	Swiss	0.8484
Bank of Poland	2.5885	Swiss	0.8484
Bank of Czech Republic	2.5885	Swiss	0.8484
Bank of Slovakia	2.5885	Swiss	0.8484
Bank of Hungary	2.5885	Swiss	0.8484
Bank of Bulgaria	2.5885	Swiss	0.8484
Bank of Romania	2.5885	Swiss	0.8484
Bank of Yugoslavia	2.5885	Swiss	0.8484
Bank of Albania	2.5885	Swiss	0.8484
Bank of Greece	2.5885	Swiss	0.8484
Bank of Turkey	2.5885	Swiss	0.8484
Bank of Iran	2.5885	Swiss	0.8484
Bank of Iraq	2.5885	Swiss	0.8484
Bank of Kuwait	2.5885	Swiss	0.8484
Bank of Saudi Arabia	2.5885	Swiss	0.8484
Bank of Oman	2.5885	Swiss	0.8484
Bank of Qatar	2.5885	Swiss	0.8484
Bank of Bahrain	2.5885	Swiss	0.8484
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Bank of Malaysia	2.5885	Swiss	0.8484
Bank of Singapore	2.5885	Swiss	0.8484
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Bank of Cambodia	2.5885	Swiss	0.8484
Bank of Laos	2.5885	Swiss	0.8484
Bank of Vietnam	2.5885	Swiss	0.8484
Bank of North Vietnam	2.5885	Swiss	0.8484
Bank of South Vietnam	2.5885	Swiss	0.8484
Bank of East Germany	2.5885	Swiss	0.8484
Bank of West Germany	2.5885	Swiss	0.8484
Bank of Poland	2.5885	Swiss	0.8484
Bank of Czech Republic	2.5885	Swiss	0.8484
Bank of Slovakia	2.5885	Swiss	0.8484
Bank of Hungary	2.5885	Swiss	0.8484
Bank of Bulgaria	2.5885	Swiss	0.8484
Bank of Romania	2.5885	Swiss	0.8484
Bank of Yugoslavia	2.5885	Swiss	0.8484
Bank of Albania	2.5885	Swiss	0.8484
Bank of Greece	2.5885	Swiss	0.8484
Bank of Turkey	2.5885	Swiss	0.8484
Bank of Iran	2.5885	Swiss	0.8484
Bank of Iraq	2.5885	Swiss	0.8484
Bank of Kuwait	2.5885	Swiss	0.8484
Bank of Saudi Arabia	2.5885	Swiss	0.8484
Bank of Oman	2.5885	Swiss	0.8484
Bank of Qatar	2.5885	Swiss	0.8484
Bank of Bahrain	2.5885	Swiss	0.8484

EGYPTIAN GENERAL PETROLEUM CORP.
(E.G.P.C.)

INVITATION TO INTERNATIONAL TENDERS

EGPC has obtained a loan from the World Bank for Abu Qir Gas Field Development, Phase II project.

Western Desert Operating Petroleum Company "WEPCO", on behalf of EGPC invites tenderers to submit their quotations for letting two Tug/Anchor handling and supply for drilling activities back up.

Tender Documents can be withdrawn from WEPCO Office, Alexandria as from Sunday, May 23rd, 1982 against payment of E.£20.- or U.S. \$30.

Closing date for submitting offers is noon Sunday 4th, July 1982.

Those interested should contact:
The Operations Manager - WEPCO - Safia Zaghloul Str.,
Borg El Saghr Building - P.O. Box 412 - Alexandria,
Egypt - Telex 54075 UN.

EGYPTIAN GENERAL PETROLEUM CORP.
(E.G.P.C.)

INVITATION TO INTERNATIONAL TENDERS

Reference is hereby made to the ad published on May 10th, 11th and 12th re quotation required for VAM Thread - 2800 Joints of 3 1/2" Tubing. Tenderers are requested to submit their quotations in a sealed offer.

Closing date and bids opening remain unchanged Monday, June 21st at noon.

AMEX Nationwide Trading Closing Prices May 21

Tables include the nationwide prices up to the closing on Wall Street

[illegible]

Close	Prev.	Close	Prev.
9.00	9.05	Komatsu	490
8.95	8.95	Yanmar	480

ship	1.97	2.01	Mitsui Ei Wks	350	3.50
ing	9.80	9.85	Mitsubishi Bk	500	5.00
neers	2.40	2.41	Mitsubishi Chem.	269	2.69
	1.21	1.22	Mitsubishi Com.	238	2.38

Amsterdam			Other Stock Markets			Amsterdam		
			May 21, 1982					
			(Closing prices in local currencies)					
			Sydney					
			Paris					
			Hong Kong					
			Tokyo					
			Zurich					
			London					
			Milan					
			Singapore					
			Market Closed					
			All financial markets were closed					
			Friday in Belgium for a local holiday.					

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Will be responsible for the development and control of the complete marketing function including market information, product development, publicity, sales and distribution. Candidates should be university graduates, ideally in marketing and must have held a senior marketing position preferably in building products. Arabic speaking highly desirable and exposure to Middle East valued. Ref. CD.1169-2.

Major tasks include the development of a purchasing policy for raw materials, spare parts, capital equipment and contract services locally and internationally, as well as for importation and inventory control administration. Candidates preferably with a university degree should have several years experience in purchasing and material supply functions ideally in cement related products in the Middle East. Fluency in Arabic an advantage. Ref. CD.1169-3.

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Closing Prices, May 20, 1982

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750 Extdcor	\$8 1/4	8 1/4%	8 1/4 + 1/4	
1300 FCA Int	\$7 1/2	7 1/2%	7 1/2	
2000 C Epilot C	\$10 1/2	10 1/2%	10 1/2 - 1/4	

9300 Fibro Nix	\$49½	48½	49½ + ½
1600 Fed Ind A	\$12½	12½	12½ - ¾
1100 G Distch w	85	8	8 + 10

[illegible]

5270 Murphy	578 1/2	18 3/4	18 1/2 + 1/4
93325 Noranda	514 3/4	14 1/2	14 1/2 — 1/4
11738 Norcen	526 1/4	20 1/4	20 1/4


68882 NVD AHA	36	54	5%
1716 Nowace W	9174	13%	13% + 1%
17190 Nu-Wst A	230	210	210 - 24

600 Oakwood	\$10%	10%	10%
950 Ashawa	\$14%	14%	14%
100 Pomeroy	445	445	445
6415 PanCan P	567	66	66

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